

Government of the People's Republic of Bangladesh



Ministry of Local Government,
Rural Development and Co-operatives
Local Government Division

Handbook
On
Paurashava Tax Collection

May2018

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Rural Development and Co-operatives
Local Government Division
and
Japan International Cooperation Agency (JICA)

Table of Contents

1. Introduction.....	1
1.1. Paurashava Tax Collection	1
1.2. Objective of the Operational Handbook on Paurashava Tax Collection	1
2. Legal background to the tax collection at paurashavas	2
2.1. Rules on tax collection.....	2
2.2. Formation of Tax assessment and collection standing committee.....	4
2.3. Rates of the Holding Tax and Rates	6
3. Securing holding tax revenue.....	8
3.1. Target on securing holding tax collection	8
3.2. The definition of Holding Tax collection efficiency	9
3.3. How to enhance efficiency in tax collection.....	10
3.3.1. Initiatives by a mayor and councilors	10
3.3.2. Organizing tax collection campaign	10
3.3.3. Announcement / publications.....	11
3.3.4. Rebate and penalty	11
3.3.5. Tax collection through compulsory seizure of assets.....	12
4. Tax collection processes	14
4.1. Outline of the tax collection processes	14
4.2. Individual process.....	16
5. Recovery of arrears through attachment and sales	33
5.1. Rules on attachment and sales	33
5.2. Process of attachment and sales.....	34
Annex 1: Tax collection amount and efficiency monitoring table	38
Annex 2: Tax Demand and Collection Register	39
Annex 3: Recommended formats of Tax bill and Tax receipt	40
Annex 4: Rebate calculations.....	42
Annex 5: Abstract register and Monthly and Quarterly Account of Tax collection.....	43
Annex 6: Forms of attachment and sales.....	45

1. Introduction

1.1. Paurashava Tax Collection

The main revenue source of paurashavas is tax. According to Article No. 98 of Local Government (Paurashava) Act, 2009 and Rule 2(B) of Paurashava Taxation and Collection System Rules, 2013, “tax” means any taxes, sub-taxes, rates, tolls, fees, customs or any other legible under this act. The third schedule of Local Government (Paurashava) Act, 2009 shows all types of taxes, and the first item listed in the schedule is “Tax on annual value of Building and Land” or holding tax. Holding tax including lighting rate, fire rate, conservancy rate and water rate is also called as “**Paura Tax** (paurashava tax, municipal tax)”..

Paurashavas provide municipal services (e.g. Development and maintenance of infrastructure, street lighting, conservancy and water supply) to citizens using their revenue income. As mentioned above, the main revenue source of a paurashava is tax, and taxes are imposed on all holdings in the paurashava. Then, in order to ensure the municipal services to the citizens in a paurashava, it is a very important for the paurashava to secure tax revenue.

This handbook discusses tax collection system at paurashavas in detail from the many aspects, such as legal background, tax collection efficiency, and preparation and maintenance of tax demand and collection documents such as tax bill, tax collection receipt, tax demand and collection register.

1.2. Objective of the Operational Handbook on Paurashava Tax Collection

The major objectives of this operational handbook are;

- To improve the efficiency in tax collection task in view of maximizing paurashava revenue.
- To enhancing capacity of concerned staff for developing communication network and public motivational work , and
- To improve knowledge and skills of paurashava staff and concerned elected representatives for exercising the legal instruments such as acts, rules and instructions.

2. Legal background to the tax collection at paurashavas

2.1. Rules on tax collection

Concerned rules and regulations in tax collection at paurashavas are as follows;

- **Local Government (Paurashava) Act, 2009**
- **Paurashava Taxation and Collection Rules, 2013**
- **The Model Tax Schedule, 2014**
- **Bengal Municipal Account Rules, 1935**

Local Government (Paurashava) Act, 2009

Based on **Article 98** of the **Local Government (Paurashava) Act 2009**, paurashavas can impose all or any taxes, sub-taxes, rates, tolls, and fees, subject to prior approval of the government,.

Local Government (Paurashava) Act, 2009

98. Municipal Taxation

The municipality, with the previous sanction of the Government, may levy, in the prescribed manner, all or any of the taxes, rates, cesses, tolls, and fees mentioned in the Third Schedule.

But it is conditioned that municipality will take government approval for new taxation.



Based on **Article 103** of the Act, Paurashavas are then regulated to collect taxes, rates, tolls and fees following specific procedures (which are described in **Paurashava Taxation and Collection Rules, 2013**).

Local Government (Paurashava) Act, 2009

103. Collection and Recovery of Taxes: (1) All taxes, rates, tolls and fees levied under this Ordinance shall be collected in the prescribed manner.

(2) All arrears of taxes, rates, tolls and fees and other moneys claimable by a municipality under this Ordinance shall be recoverable as a public demand.

(3) Notwithstanding the provisions of sub-section (2), the Government may empower any municipality to recover arrears of taxes, rates, tolls, fees and other moneys claimable by the municipality under this Ordinance by distress and sale of movable property belonging to the person concerned, or by attachment and sale of the immovable property belonging to him.



Numbers of articles and titles of these related to tax collection are as follows;

Local Government (Paurashava) Act, 2009

Number of Article	Title
55	Formation of Standing Committee by the Municipality:
98	Municipal Taxation
103	Collection and Recovery of Taxes

Paurashava Tax Assessment and Collection Rules, 2013

Paurashava Taxation and Collection Rules 2013, which was formulated based on Article 120 of **Local Government (Paurashava) Act, 2009**, is explaining the procedures and rules of tax collection, tax rate , and tax assessment procedures and rules.

Numbers of articles and titles of these related to tax collection are as follows;

Paurashava Taxation and Collection Rules, 2013

Number of Rule	Title
7	Tax payment, tax remedy, etc.
8	Tax payment, etc.
9	Tax withheld
10	Defaulted tax collection
11	Procedure of attachment and sale
12	Authorized person can enter house by breaking doors
13	Sales of asset outside paura area
14	Accounts keeping of Attachment and sale
15	Bad debt/ Uncollectable arrear on Tax
16	Tax concession and remedy
17	Tax on building and land
28	Responsibility of paying the tax

The Model Tax Schedule, 2014

This is prepared based on Article 100 of **Local Government (Paurashava) Act, 2009**, which stipulates the tax rates and their assessment procedures. The following articles and rules are related with tax collection.

The Model Tax Schedule, 2014

Serial number	Title
3	Tax on Building and Land
21	Lighting rate:
22	Waste disposal rate:
23	Drainage rate:
24	Water supply management:
25	Special development and social welfare:

Bengal Municipal Account Rules, 1935

This is a set of rules formulated in 1935. Even though some rules are overwritten by **Paurashava Tax Assessment and Collection Rules, 2013**, some rules are still applicable.

Bengal Municipal Account Rules 1935

Number of Rule	Title
52	Bill forms
53-55	Receipt forms
56	Tax Demand and Collection Register
66	Sarkar's ledger

2.2. Formation of Tax assessment and collection standing committee

The supervision of tax collection at paurashava is basically under the responsibility of “**Tax assessment and collection committee**”. This is a permanent committee of paurashava, consisting maximum 5 members from the councilors form at the first pauraparishad meeting or the meeting held immediately after the 1st meeting. Rule 55 (1)b of Paurashava Act, 2009.

Paurashava Act, 2009

55. Formation of Standing Committee by the Municipality:

Bellow mentioned standing committees shall be formed through regulations during the first municipality meeting or work proceedings of any onward meetings and after defining two and half hours tenure, namely:

- Establishment and finance.
- Taxation and levy.
- Accounts and audit.
- Urban planning, services for citizen and development.
- Rules and regularities and public security.
- Communication and Infrastructural development.
- Women and child.
- Fisheries and livestock's.



- i. Information and culture.
- j. Observation, monitoring and control of prices.

The formation of the standing committee and the activities specified in the circular issued by Local Government Division on 02.01.2013, entitled as “**Subject: Formation and functions of Municipal Standing Committee & sending a draft copy of by-laws**” are as follows;

+

Circular on Formation of Municipal Standing Committee & sending a copy of sub rules regarding activities of committee, dated 02.01.2013



b. Tax Assessment and Collection related Committee

The formation will be as follows

No.	Name	Designation	Committee Designation
01		Councilor (General/ Conserved), Ward no.	Chairperson
02		Mayor	Member
03		Councilor (General/ Conserved), Ward no.	Member
04		Councilor (General/ Conserved), Ward no.	Member
05		Councilor (General/ Conserved), Ward no.	Member

2. Activities of Committee:

- 2.1 Proposing different techniques in fixing and collection of tax, sub tax, rate, toll, fees and other taxes
- 2.2 Advise the respective personnel in applying tax fixing guideline keeping consistence with govt. rules
- 2.3 Deciding on tax holiday, tax deduction, and tax cancellation
- 2.4 Motivating the personnel in tax assessment and collection
- 2.5 Motivating the people in paying tax timely
- 2.6 Assisting the personnel in assessing periodic taxes and providing guideline
- 2.7 Preparing database regarding tax fixing and training the personnel on updating
- 2.8 Monitoring tax collection and fixing target and evaluating collection
- 2.9 Regarding tax complaints, arranging trials and giving quick decisions
- 2.10 Working as the bridge between municipal and public regarding tax assessment and collection
- 2.11 For increasing revenue, looking for new tax sources
- 2.12 Ensuring the transparency and accountability in tax assessment and collection
- 2.13 Initiating computer software for tax collection with municipal fund and continuing
- 2.14 Committee can co-opt the Asst. Land Commissioner as an expert member
- 2.15 Other activities

2.3. Rates of the Holding Tax and Rates

Tax and rates are defined by **Rule 17 of Paurashava Taxation and Collection System Rules, 2013**. In addition to this, **The Paurashava Model Tax Schedule, 2014** authorized a new rate item named **Fire rate**. **The Paurashava Model Tax Schedule, 2014** mentioned that the total rate of the holding tax and rates should not exceed 39%.

The maximum rate is also defined by the types of tax and rates, namely tax on annual value of building and land, lighting rate, conservancy rate, water rate and sewerage rate. Details of such maximum rates are indicated in the Table below.

Type of Tax/Rate (Rule 17 of Paurashava Taxation and Collection Rules, 2013)	The Paurashava Model Tax Schedule, 2014	
	Sl. No.	% (not exceeding)
(a) Tax on Annual Value of building and land	Sl. No. 03	7
(b) Lighting Rate	Sl. No. 21	3
(c) Fire Rate*	-	-
(d) Conservancy Rate	Sl. No. 22	7
(e) Water Rate	Sl. No. 24	10
(f) Sewerage Rate* (The Paurashava Model Tax Schedule, 2014)	Sl. No. 23	12
Total		39

Note1: Paurashava Taxation and Collection System Rules, 2013 defines fire rate but not sewerage rate. However, Paurashava Model Tax Schedule 2014 did not specify the fire rate, but specified that the sewerage rate was 12%.

Note2: If there are not any services (e.g. water or sewerage), the rates mentioned above will not be applied.

The Paurashava Model Tax Schedule, 2014

Rule 3. Tax on building and land

Tax will be imposed by 7% on the annual value of owned or occupied building and land within the Paurashava area and if it is fractionable it will be rounded up in full taka.



The Paurashava Model Tax Schedule, 2014

Rule 21. Lighting Rate

Lighting rate will be imposed as 3% on annual value of building and land for maintenance and contingency cost related with this service delivery subject to providing electric light facility to be provided by the Paurashava to roads or any public places.



The Paurashava Model Tax Schedule, 2014

Rule-22: Conservancy Rate

Conservancy rate will be imposed by 7% on annual value of building and land for maintenance and contingency cost related with this service delivery subject to providing conservancy service by the Paurashava.



The Paurashava Model Tax Schedule, 2014

Rule 23. Sewerage Rate

Sewerage rate will be imposed by 12% on annual value of building and land of service receiving person or institutions for maintenance and contingency cost related with this service delivery subject to providing sewerage service by the Paurashava.



The Paurashava Model Tax Schedule, 2014

Rule 24. Water Rate

Water rate will be imposed by 10% on annual value of building and land of the service receiving persons for maintenance and contingency cost related with pipe line water supply services delivery by the Paurashava.



Tax or Rates rate will be fixed up before finalization of the annual budget of the Paurashava, as per **Rule 29 of Paurashava Taxation and Collection System Rules, 2013.**

Paurashava Taxation and Collection System Rules, 2013

Rule 29. Fixation of Tax before finalization of budget

Paurashava will fixed up the tax and rates rate on annual value of land and building referring rule 17 before finalization of the annual budget of the Paurashava that will be imposed in the next year and this fixed rate will exist until the rate is re-fixed.



3. Securing holding tax revenue

3.1. Target on securing holding tax collection

Holding tax is one of the main financial sources of a Paurashava. It is, therefore, necessary to increase the amount of the holding tax by enhancing collection skills of the concerned Paurashava officers.

However, there are many Paurashavas which have not secured sufficient tax revenue. In such Paurashavas, most of the tax revenues are used only for general establishment expenses, such as salary payments.

Therefore, it is essential for a Paurashava to secure sufficient tax revenues, through setting targets on tax collection amount and collection efficiency (collection rate) and increase own revenue sources.

The tax collection efficiency has to be more than 75% , because the government can, as per **Article 49 (1) (d) of the Local Government (Paurashava) Act, 2009**, declare dissolution of any Council, if Paurashava failed to achieve at least 75% of the assessed total annual taxes, sub-taxes, rates, tolls, and fees (including holding tax) without acceptable causes.

Local Government (Paurashava) Act, 2009

49. Suppression of Municipality and Re-Election

(1) Government can declare suppression on any municipality by gazette notification for following causes, namely –

(d) failed to collect 75% of annual defined taxes, rates, tolls or fees levied without acceptable causes.



3.2. The definition of Holding Tax collection efficiency

As mentioned above, the targets on tax collection should be set on the amount and collection efficiency.

Holding tax collection efficiency is expressed in terms of the collection rate of holding tax in comparison to total demand in percent. Paurashavas are supposed to achieve more than 75% tax collection rate, as described in **Local Government (Paurashava) Act, 2009**.

Holding tax collection efficiency is calculated as follows;

$$\text{Tax collection efficiency} = (\text{Arrear Collection} + \text{Current Collection}) / (\text{Arrear Demand} + \text{Current Demand})$$

Arrear demand is the total accumulated arrears of holding tax dues in the preceding years. Arrear collection is the collection of such arrear demand.

Similarly, current demand is the amount tax that a tax payer is demanded to pay every year, excluding the amount arrear demand. Current collection is the tax collection of such current demand.

When monitoring the yearly changes in the tax collection amount and collection efficiency, using a table below is most efficient.

Tax collection amount and efficiency monitoring table

Year	Arrear Demand	Current Demand	Total Demand	Arrear Collection	Current Collection	Total Collection	Collection rate
1	2	3	4(2+3)	5	6	7(5+6)	8(7/4)x%
20X1-X2	1,200,000	2,000,000	3,200,000	300,000	1,600,000	1,900,000	59.38%
20X2-X3	1,300,000	2,000,000	3,300,000	400,000	1,700,000	2,100,000	63.64%
20X3-X4	1,200,000	2,000,000	3,200,000	500,000	1,900,000	2,400,000	75.00%
20X4-X5	800,000						

Using this table, it is possible to examine if the tax collection efficiency (collection rate) is improving and deteriorating. The tax collection amount and collection efficiency should be examined for each ward.

3.3. How to enhance efficiency in tax collection

3.3.1. Initiatives by a mayor and councilors

Involvement of a mayor in tax collection is most important to achieve high tax collection rate. In some paurashavas, mayors give phone calls to the tax payers to appreciate them, or provide tea. In contrast, if a mayor is not cooperative to tax collections, the tax collection rate in such paurashavas tend to be very low (e.g. 10%).

Therefore, tax collectors are encouraged to give report to a mayor and councilors every month. Ward level tax collection rate and amount should be provided, so that councilors can encourage citizens to pay tax in WC (Ward Committee) meetings.

In such meetings, councilors should explain how the funds from tax collection was used, such as infrastructure development projects. Then, the satisfaction level of citizen would increase, and citizens are more willing to pay tax.

A successful example at Chandpur paurashavav is as follows;

<Example> Collectors responsible for Wards

In Chandpur Paurashava, there are 9 assistant tax collectors, and they were assigned to each and individual ward.

They are instructed to achieve 80% in tax collection rate, and they can receive 5000TK bonus, if they can achieve the target. The progress of tax collection is discussed in monthly meeting amount councilors; councilors are more willing to achieve the target in their paurashava.

Standing committee should also take initiative to monitor the progress of tax collection, and also to increase tax revenue.

3.3.2. Organizing tax collection campaign

Some Paurashavas organize “Tax collection campaign”, especially when festivals are organized in town, as festivals are good opportunity where citizens gather.

If paurashavas organize such campaign at the timing of festivals, having a temporary tax collection office in a festival location, tax payers can save time and expenses to come to paurashava for tax payments.

3.3.3. Announcement / publications

Undertaking rally, announcement, courtyard meeting, leaflet and poster distribution, advertisement in local dailies, presence of the Mayor in local cable TV would encourage tax payers to pay tax.

Most typically, the message delivered in the rally and announcement to tax payer in the first quarter is that they can get rebates if they complete tax payment in the first quarter. The message delivered in the 4th quarter is that tax payers are going to pay additional as penalty if they do not complete payment by the end of fiscal year.

3.3.4. Rebate and penalty

Financial incentives or rebate on tax payments is one of the most useful tool to encourage tax payers, as mentioned above. Similarly financial penalty or surcharge on the arrear payment would also encourage tax payers who wish to avoid paying extras.

Making announcement on rebate in 1st quarter and penalty in 4th quarter would be most effective.

Rebate

As per **Article 7 (3) of the Paurashava Taxation and Tax Collection Rules 2013**, the following rebate will be awarded.

Paurashava Taxation and Tax Collection Rules, 2013

7. Tax payment, tax remedy, etc.

(3) For Tax on Building and Land of the fiscal year-

(a) If the tax of each quarter is paid within the time frame of demand notice, remedy will be at the rate of 5% of the current demand.

(b) If the tax demand of next three quarter is paid in advance with the first quarter, 10% remedy will be paid on total demand.

(c) If case of the payment of one or two quarter's installment in advance along with the amount of the quarter mentioned in the demand notice, tax remedy will be provided at the rate of 7.5% on total demand.



The rebate which is mentioned in Rule 7 (3) (a) – (c) is summarized as follows;

Rule	Period of bill payment within the timeframe	Rebate (%)
7(3)(a)	Payment of current quarter tax bill	5.0%
7(3)(b)	Payment of all four quarters bills in 1 st Quarter	10.0%
7(3)(c)	Payment of one or two quarter's installment in advance	7.5%

Penalty

On the other hand, if the tax payments are not made within the relevant fiscal year, the remaining tax demand amount is transferred to the following fiscal year as arrear. The tax payer then has to pay 5% additional as penalty, as per **Rule 7 (4) of Paurashava Taxation and Tax Collection Rules, 2013**.

Paurashava Taxation and Tax Collection Rules, 2013

7. Tax payment, tax remedy, etc.

(4) Paurashava can add an additional charge at the rate of 5% on the amount of defaulted demand if, tax on building and land is not paid within the fiscal year or time mentioned in the demand notice.

Condition applies that; Paurashava can provide remedy to any defaulter on total or partial charge.



The percentages of rebate and the amount of surcharge are indicated in tax bills.

3.3.5. Tax collection through compulsory seizure of assets

If a tax payer fails to pay the tax demand, the tax payer is regarded as a defaulter. In this case, a paurashava can recover its tax demand through attachment and sales of the movable or immovable property of the defaulter, as per **Article 103 of Paurashava Act, 2009**.

Paurashava Act, 2009

103. Collection and Recovery of Taxes:

(1) All taxes, rates, tolls and fees levied under this Ordinance shall be collected in the prescribed manner.

(2) All arrears of taxes, rates, tolls and fees and other moneys claimable by a municipality under this Ordinance shall be recoverable as a public demand.

(3) Notwithstanding the provisions of sub-section (2), the Government may empower any municipality to recover arrears of taxes, rates, tolls, fees and other moneys claimable by the municipality under this Ordinance by distress and sale of movable property belonging to the person concerned, or by attachment and sale of the immovable property belonging to him.



The recovery of the tax demand through attachment and sales is most efficient when the paurashava has achieved high tax collection efficiency, and is trying to encourage large defaulters to pay tax who have enough income and assets.

Some paurashavas, which have experienced attachment and sales, achieved high tax collection rate in the following years, not by attachment and sales but by showing their attitude toward tax collections.

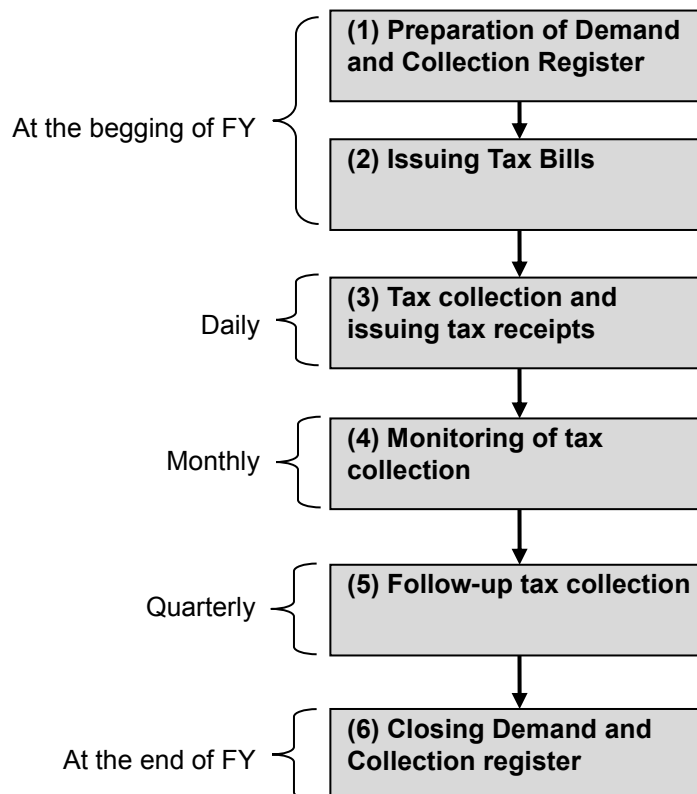
In such case, only an announcement of attachment and sales to defaulters would encourage tax payers to pay tax on time.

See “5. Recovery of arrears through attachment and sales“ for more details.

4. Tax collection processes

4.1. Outline of the tax collection processes

Tax collection is an annual operational flow which can be depicted as in the diagram below;



(1) Preparation of Demand and Collection Register

Paurashava tax collection section prepares “Demand and Collection Register” at the beginning of the fiscal year, which shows the arrear and current demand of each tax payer.

(2) Issuing Tax Bills

The tax collection section will then issue tax bills, which are prepared based on the information in Demand and Collection Register. Tax bills should be prepared and delivered to tax payers within July.

(3) Tax collection and issuing tax receipts

Paurashava collects tax demand in cash or through banks. Upon collection, tax collectors calculate the rebates given to the tax payers, and then issue receipts. Tax collectors then register it in Demand and Collection Register.

(4) Monitoring of tax collection

Paurashava prepares Monthly and Quarterly account of tax collection monthly, quarterly and annually. The paurashava then review the tax collection progress, comparing to the annual target.

Tax collection is closely monitored by the chief executive or secretary on behalf of the mayor of the Paurashava.

(5) Follow-up tax collection

Each quarter, the tax collection examines the tax collection progress, and then prepares the second, third and fourth tax bills, if the tax is not fully paid in the first quarter. Sending tax invoices to those who delay payments is also very important to remind tax payments.

(6) Closing Demand and Collection register at the end of Fiscal year

At the end of the year, Demand and Collection Register is closed for the fiscal year, and the amount which was not paid within the fiscal year will be transferred to the following fiscal years, as "arrear".

4.2. Individual process

(1) Registration on demand and collection register: At the beginning of the fiscal year

At the beginning of the fiscal year, the tax collection section of a Paurashava prepares “**Demand and Collection Register**”, which shows the tax demand and collection of each tax payer.

Bengal Municipal Account Rules, 1935

56. The Demand and Collection Register shall be prepared in Form 12 from the Assessment Register and shall also show any outstanding dues noted in the previous Demand and Collection Register. The total of all outstanding dues shall be agreed with the total of the old arrears and the arrear for the previous years as shown in the sarkar’s ledger of the circle.

...



Rule 56 of **Bengal Municipal Account Rules 1935** specifies the format of Demand and Collection Register (Form 12). However, the Demand and Collection Register, which Paurashavas actually use are much different from the one specified by Bengal Municipal Account Rules. The format in Bengal Municipal Account Rules 1935 does not seem practical, considering the current tax collection practices.

Therefore, this handbook recommends paurashava to use the format of Demand and Collection Register depicted below. This is a format which is actually used by many Paurashavas, and also which are useful in the actual operations.

Such Demand and Collection Register is as follows;

Tax Demand and Collection Register

Paurashava

FY 20..... To FY 20.....

Description of Demand								Description of Collection															
1	Holding tax 2	Rate					Total 8 (2+3+4+5+6+7)	Date of receipt 9	Receipt No 10	Holding tax 11	Rate					Sub-Total 17 (11+12+13+14+15+16)	Surcharge 18	Coke Fee 19	Rebate 20	Total Collection 21 (17+18+19-20)	Balance (Dues) 22 (8-17)	Signature 23	Signature 24
		Lighting 3	Fire 4	Conse- vancy 5	Water 6	Sewer- age 7					Lighting 12	Fire 13	Conse- vancy 14	Water 15	Sewer- age 16								
FY: 20.....-20.....																							
Arrear (up to 30 June 20.....-20.....)																							
1 st Installment																							
2 nd Installment																							
3 rd Installment																							
4 th Installment																							
Sub-Total current demand (Installment 1, 2, 3, and 4)																							
Total Demand (Arrear + current year demand)																							
FY: 20.....-20.....																							
Arrear																							
1 st Installment																							
2 nd Installment																							
3 rd Installment																							
4 th Installment																							
Sub-Total current demand (Installment 1, 2, 3, and 4)																							
Total Demand (Arrear + current year demand)																							

See also Annex 2.

Demand and Collection Register of a tax payer is described in two pages which face each other. The left side of Demand and Collection Register is for the tax demand of a tax payer, and the right side is for the collection of the same tax payer.

By comparing the left side (demand) and right side (collection), it is easy to find out the remaining tax demands of the tax payer.

Demand and Collection Register is prepared upon the completion of tax re-assessment, in which the annual valuation and annual tax demand amount of a tax payer is determined. The demand and collection register will be then used for five years until the completion of following tax re-assessment.

How to fill Demand and Collection Register

As mentioned above, the left side (demand) of Demand and Collection Register is filled at the beginning of the fiscal year.

The information to be filled in Demand and Collection Register is transcribed from Tax Assessment list, which shows the annual valuation amount and the amount of current demand of each tax payer.

An example of Tax Assessment List is as shown below. This is a format (**Form E**

(UMO) specified by **Rule 19 of Paurashava Tax Assessment and Tax Collection Rules, 2013.**

Form-E

[Vide Article 19]

Tax Assessment List of the Year: 201X-20X4

Serial No	Name of the road of the building	Holding no. of the building		Description of the building	Annual valuation of the building	Name of owner	Type of payable tax or rate	Amount of payable annual tax or rate							Amount of quarterly installment	Any other statement	Others
		Old	New					Holding	Street Lighting	Fire	Conservancy	Water	Sewerage	Total			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	Manik Road	1	1	Pucca building	90,000	Abdul Halim	4	6,300	2,700	-	6,300	9,000	-	24,300	6,075	-	-
2	Do	2	2	Pucca	96,000	Md. Delwar Hossain	4	6,720	2,880	-	6,720	9,600	-	25,920	6,480	-	-
3	Do	002-01	3	Pucca	59,000	Gopal Saha	4	4,130	1,770	-	4,130	5,900	-	15,930	3,983	-	-

	Sub-Total	-	-	-	2,39,000	-	-	17,150	7,350	-	17,150	24,500	-	66,150	16,538	-	-

The current demand amount described in Tax Assessment List is transcribed in the current demand (FY 20X3-X4) of Demand and Collection Register (of the same person).

The amount of current demand (of Mr. Abudul Halim of Manik Road, Holding No.1) for FY20X3-X4 is TK. 24,300 in total (Holding tax: TK.6,300, Street Lighting: TK.2700, Conservancy TK.6,300, and Water: TK 9,000) which are indicated in Tax assessment list is then input in Demand and Collection register.

As the payment of tax can be made in four installments, quarterly demand amount, which is one fourth of annual demand will be then input in this register.

Left side of “Demand and Collection Register” (Mr. Abudul Halim of Manik Road, Holding No.1)

Description of Demand							
	Holding tax	Rate					Total
		Lighting	Fire	Conser-vancy	Water	Sewe- rage	
1	2	3	4	5	6	7	8 (2+3+4+ 5+6+7)
<i>FY: 20X3-X4</i>							
Arrear (up to 30 June, 20X3)	3,500	1,500		3,500	5,000		13,500
1 st Installment	1,575	675		1,575	2,250		6,075
2 nd Installment	1,575	675		1,575	2,250		6,075
3 rd Installment	1,575	675		1,575	2,250		6,075
4 th Installment	1,575	675		1,575	2,250		6,075
Sub-Total current demand (Installment 1, 2, 3, and 4)	6,300	2,700		6,300	9,000		24,300
Total Demand (Arrear + current year demand)	9,800	4,200		9,800	14,000		37,800

<i>FY:20X4-X5</i>							
Arrear (up to 30 June, 20X4)							
1 st Installment							
2 nd Installment							
3 rd Installment							
4 th Installment							
Sub-Total current demand (Installment 1, 2, 3, and 4)							
Total Demand (Arrear + current year demand)							

...

<i>FY: 20X5-X6</i>							
--------------------	--	--	--	--	--	--	--

...

<i>FY: 20X6-X7</i>							
--------------------	--	--	--	--	--	--	--

...

<i>FY: 20X7-X8</i>							
--------------------	--	--	--	--	--	--	--

Arrear demand amount indicated in Demand and Collection register is the amount of tax due which were has not been paid until the end of previous fiscal year.

As explained above, Demand and Collection Register is used for five years from FY 20X3-X4 to FY 20X7 – X8. When the current fiscal year (FY 20X3-X4 in this case) finishes, the amount which was not paid until the end of fiscal year, is then input in the

left side of the Demand and Collection Register, as arrear.

(2) Issuing Tax Bills: At the beginning of the fiscal year

When Demand and Collection Register is prepared, Paurashava prepares tax bills, filling tax demand amount in a Tax bill format within July.

Paurashava Tax Assessment and Collection Rules, 2013

Rule:7: Tax payment, rebate and others:

- (1) Tax payer will payable by four installments in a year; but conditions that tax may be paid in advance,
- (2) Paurashava will issue a demand bill to taxpayer for payment of tax within a certain period of time.
- (3) ...



The format of the tax demand bill is specified in **The Bengal Municipal Account Rules, 1935 (Rule 52, Form 9)**. However the format of tax bill actually used by Paurashavas are different from the one specified by Bengal Municipal Account Rules 1935.

It is most recommend using a tax demand bill, which are basically consistent with Demand and Collection Register, explained above

The tax bill format recommended in this handbook is given below:

Recommended Tax Bill Format

Paurashava Tax bill: sample:

XXXXX Paurashava

Bill No:		Financial Year:	20X4-20X5
Holding No Old:	0001 New: 001		
Taxpayer ID	03-036-0001-00		
Name of Tax payer	Md. Abdul Halim	Father/Hus:	Md. Abdul Karim
Ward/Road/Mouja	Manik Road		
Address of bill	Manik Road		
Date of bill issue	01-07-20X4	Type of taxpayer:	Private
Last date of Payment	30-09-20X4	Annual Valuation:	90,000

Description of Tax	Arrear	Current Year					Grand Total
		1st install-ment	2nd install-ment	3rd install-ment	4th install-ment	Total	
Holding Tax	3,500	1,575	1,575	1,575	1,575	6,300	9,800
Lighting rate	1,500	675	675	675	675	2,700	4,200
Conservancy rate	3,500	1,575	1,575	1,575	1,575	6,300	9,800
Water rate	5,000	2,250	2,250	2,250	2,250	9,000	14,000
Sur charge	675	-	-	-	-	-	675
Croke Fee	-	-	-	-	-	-	-
Total bill	14,175	6,075	6,075	6,075	6,075	24,300	38,475

Rebate is given to the current demand payment,

- 5.00% : if Current quarter bill is paid in the current quarter
- 7.50% : if the first and following quarter bills are paid in advance
- 10.00% : if all four quarters bills are paid in the first quarter

The tax bill shows the specifications of tax payers (e.g. holding number and holder's name) at the top of tax bill format. It also indicates the arrear demand, current demand of each quarter and total demand, which are transcribed from Demand and Collection Register.

This also shows the "surcharge" which are imposed on arrear demand. This is kind of a penalty that a tax payers have to pay for the tax arrears. If the tax payment is not done

within the fiscal year, the tax payers have to pay 5% extra (as surcharge). The amount of arrear demand including surcharge is TK. 14,175 (Arrear demand TK. 13,500 + Surcharge TK. 675).

This tax bill also shows the rate of tax rebate at the bottom to encourage tax payers to complete tax payment earlier, as follows;

- 5.0% : if Current quarter bill is paid in the current quarter
- 7.5% : if the first and following quarter bills are paid in advance
- 10.0% : if all four quarters bills are paid in the first quarter

This is based on Rule 7 (3) of the Paurashava Taxation and Tax Collection Rules 2013. The rebate rate changes upon the timing of payment, and this is going to be explained in the following section. Please note that rebates are not applied to any arrear payments.

The tax bill should be issued every quarter to encourage tax payers.

(3) Tax collection and issuing tax receipts: Daily

Upon tax collection (payments by tax payers), the tax collector first calculated the amount of rebate, receive payments, and then issue tax receipts to the tax payers. The tax collector then enter the tax collection into Demand and Collection Register.

The format of tax receipt is again specified by Bengal Municipal Account Rule 1935 (Rule 52, Form 9), but Paurashavas are not using it as specified.

The tax receipt format, which are recommended by this handbook is as follows. Items included in the receipt format should be consistent with tax bill format.

Recommended Tax receipt format

Paurashava Tax Receipt:

XXXXX Paurashava

Bill No: _____ Financial Year: 20X4-20X5

Holding No Old: _____ 0001 New: 001
 Taxpayer ID 03-036-0001-00
 Name of Tax payer Md. Abdul Halim Father/Hus: Md. Abdul Karim
 Ward/Road/Mouja Manik Road
 Address of bill Manik Road
 Date of bill issue 01-07-20X4 Type of taxpayer: Private
 Last date of Payment 30-09-20X4 Annual Valuation: 90,000

Description of Tax	Arrear	Current Year					Grand Total
		1st install-ment	2nd install-ment	3rd install-ment	4th install-ment	Total	
Holding Tax	3,500	1,575	1,575				6,650
Lighting rate	1,500	675	675				2,850
Conservancy rate	3,500	1,575	1,575				6,650
Water rate	5,000	2,250	2,250				9,500
Sur charge	675	-	-				675
Croke Fee	-	-	-				-
Total bill	14,175	6,075	6,075				26,325

Calculation of Rebate:

12,150 x 7.50% = 911

Net Payment

(Total bill) 26,325 - (Rebate) 911 = 25,414

Collector _____

Date of collection 20-07-20X4

Rebate is given to the current demand payment,

5.00% : if Current quarter bill is paid in the current quarter

7.50% : if the first and following quarter bills are paid in advance

10.00% : if all four quarters bills are paid in the first quarter

1) Calculation of rebate amount

As mentioned above, the rebate (%) is determined based on the timing of tax payment.

For example, if a tax payer pays all demand amount (of 1st, 2nd, 3rd and 4th quarters) in 1st quarter, then the rebate given to the tax payer will be 10% of total current demand.

Rebates are not given to any arrear payments. Similarly, delayed payment, such as the payment of 1st quarter demand in 2nd quarter is not given any rebate.

This can be summarized as in the following table.

Rebate and the timing of payment		
Timing of payment	Payment	Rebate
In 1st quarter (July – September)	1st, 2nd, 3rd and 4th quarter demands are paid.	10.0%
	1st, 2nd and 3rd quarter demands are paid.	7.5%
	1st and 2nd quarter demands are paid.	7.5%
	1st quarter demand is paid.	5.0%
In 2nd quarter (October – December)	2nd, 3rd and 4th quarter demands are paid.	7.5%
	2nd and 3rd quarter demands are paid.	7.5%
	2nd quarter demand is paid.	5.0%
	1st quarter demand is paid.	-
In 3rd quarter (January – March)	3rd and 4th quarter demands are paid.	7.5%
	3rd quarter demand is paid.	5.0%
	1st and 2nd quarter demands are paid.	-
In 4th quarter (April – June)	4th quarter demand is paid.	5.0%
	1st, 2nd and 3rd quarter demands are paid.	-

Please also see “Annex 4: Calculation of rebate”.

In the example above, the tax payer pays the arrear demand (TK.14,175), 1st quarter demand (TK. 6,075) and 2nd quarter demand (TK. 6,075) in the 1st quarter (20 July 20X4).

In this case, the rebate given to the tax payers is 7.5%. The amount of rebate is TK.911, which is calculated as 7.5% of current collections (TK 12,150 = TK 6,075 (1st quarter demand) + TK 6,075 (2nd quarter demand)).

2) Issuing tax receipt

Upon tax collection, the tax collector issues tax receipts, with the signature of the collector and the seal, as stipulated in Rule 8 (3) of **Paurashava tax assessment and**

tax collection rules, 2013.

Paurashava tax assessment and tax collection rules, 2013

8. Tax payment, etc.

- (1) The tax should be paid to any commercial bank recommended by the Paurashava or to the Paurashava office.
- (2) A notice should be published in any open place of Paurashava office with the list of authorized person for tax collection and date and venue of tax payment.
- (3) Money receipt to be given to the taxpayers in case of collection of tax, tax amount will be disclosed in this receipt the said receipts would be properly signed by the tax collector with seal.



When tax collector received cash or cheques for the payment of tax, the tax collector will deposit the collection amount to the cashier of the Paurashava. The cashier will record the receipts in the cashier's cashbook and deposited to the concerned bank amount. Tax collectors have no right to keep the money in hand.

It is recommended to let tax payers make tax payment at bank offices as much as possible, on the condition that bank offices can properly calculate the rebate amount. If the computerized tax collection system is installed in the paurashava, then all tax payments should be done through bank offices.

3) Registration on Demand and Collection register

When tax is collected, the tax collector records it in the right page of Demand and Collection Register.

In case of bank collection, Paurashava collects counter copies of tax bills and tax collector records them in Demand and Collection Register. The accountant also records them in the accountant's cashbook.

The data entries of tax collections are made in the right page of Demand and Collection Register of the relevance tax payer.

An example of tax collection registered in Demand and Collection Register (on the right page, collection) of Mr. Md. Abudul Halim, who paid the arrear demand, 1st quarter demand and the 2nd quarter demand, in the first quarter (20 July 20X4), is as follows;

Data entry in Demand and Collection Register (Collection, right side)

Description of Collection																
	Date of receipt	Receipt No	Holding tax	Rate					Sub-Total	Sur-charge	Croke Fee	Rebate	Total Collection	Balance (Dues)	Sig-nature	Sig-nature
				Lighting	Fire	Conser-vancy	Water	Sewe-rage								
	9	10	11	12	13	14	15	16	17 (11+12+13+14+15+16)	18	19	20	21 (17+18+19-20)	22 (8-17)	23	24
FY: 20X3 -20X4																
Arrear	20-07-20X4	1234-012	3,500	1,500	0	3,500	5,000	0	13,500	675	0	0	14,175	0		
1 st Installment	20-07-20X4	1234-012	1,575	675	0	1575	2250	0	6075	0	0	0	6,075	0		
2 nd Installment	20-07-20X4	1234-012	1,575	675	0	1575	2250	0	6075	0	0	911.25	5,164	0		
3 rd Installment																
4 th Installment																
Total																

Mr. Md. Abdul Halim paid TK. 14,175 for arrear, of which arrear demand is TK.13,500 and TK. 675 for surcharge (5% of arrear demand).

As Mr. Md. Abdul Halim paid 1st quarter demand and 2nd quarter demand (TK. 12,150 in total) in the 1st quarter of the year, he received 7.5% rebate, which is TK911.

As can be seen from the Demand and Collection Register, the remaining tax bills that Mr. Md. Abdul Halim has to pay during this fiscal year is the 3rd and 4th quarter demand. It would be easy for the tax collector to find out tax payers who have not complete payment, if the collect put stickers or tags on their pages on Demand and Collection Register.

(4) Monitoring of tax collections

Paurashavas are supposed to compile the tax collections every month as specified in **Rule 66 of Bengal Municipal Account Rules 1935**. Such tax collections data should be compiled for each ward.

Monitoring of tax collection progress is specifically necessary, to examine if the targets on the tax collections are met.

Bengal Municipal Account Rules, 1935**Sarkar's ledger**

66. The sarkar's ledger shall be kept in Form 17 and shall be posted by the tax collector or head clerk. One such register shall be kept for each circle of collection. The entries under the heading "Collection" shall be filled up from the daily total in the Daily Collection Register under the various quarterly columns and the monthly totals of remission posted in the appropriate columns from the Remission Register.

Progress Statement

67. The Sarkar's ledger shall be closed and balanced at the end of each month and the totals of the collection and remission shall be posted into the progress statement, in Form 18. If there is only one circle, however, this will not be necessary, as Form 17 may be made to serve the purpose.

... ..



The format for compiling tax collection is specified in Bengal Municipal Account Rules 1935 (Rule 66, Form 17). However, paurashavas are not using this format for the data compilation. In case computerized tax collection system is installed in a paurashava, such data compilation of tax collections is not necessary, as it can be done by the computerized system.

This handbook recommends paurashava to use (i) abstract register of tax collection and (ii) Quarterly and Annual Statement of Tax Collection, which are developed base on "abstract register (Form 86)" and "quarterly and yearly account of receipts (Form 89)" of **Bengal Municipal Account Rules, 1935**. These should be prepared for each ward every month. See also "Annex 5: Abstract register and Quarterly and Annual Statement of Tax Collection".

The individual tax collections (arrear and current) are transcribed from Demand and Collection Register to Abstract Register. The tax collection amounts of each month are compiled in the Abstract Register, and the total amount of receipts of arrear and current demand of a month will be then filled in Monthly and Quarterly statement of tax collection.

Using these formats, the paurashava monitors the ward-wise arrear collection and current collections of every month.

Step 1: Filling Abstract Register from Demand and Collection Register

The recommended format of Abstract Register is as follows;

[illegible]

The abstract register of tax collection is filled using the information entered into Demand and Collection Register.

Example of Data entry in Demand and Collection Register (Collection, right side, Md. Abdul Halim)

	Date of receipt	Receipt No	Holding tax	Rate					Sub-Total
				Lighting	Fire	Conser-vancy	Water	Sewe-rage	
	9	10	11	12	13	14	15	16	17 (11+12+13+14+15+16)
FY: 20X3 -20X4									
Arrear	20-07-20X4	1234-012	3,500	1,500	0	3,500	5,000	0	13,500
1 st Installment	20-07-20X4	1234-012	1,575	675	0	1575	2250	0	6075
2 nd Installment	20-07-20X4	1234-012	1,575	675	0	1575	2250	0	6075
3 rd Installment									
4 th Installment									
Total									

Abstract register (July 20X4, Ward A)

Date	Holding no. of the building	Name of owner	Holding Tax	Arrear collection					Total	Holding Tax	Current collection					Total	Sub-Total	
				Rate				...			Lighting	...	Conservancy	Water	...			Total
				Lighting	...	Conservancy	Water											
1	2	3	4	5	6	7	8	9	10 (4 + 5 + 6 + 7 + 8 + 9)	11	12	13	14	14	15	16 (11 + 12 + 13 + 14 + 15)	17 (10 + 16)	
20-07-2014	1	Abdul Halim	3,500	1,500		3,500	5,000		13,500	3,150	1,350	-	3,150	4,500		12,150	25,650	

Ward-wise Abstract register is prepared for each month. In this Abstract register, individual tax collections (arrear and current collections) will be filled. In this example, the tax collector started using this ward –wise Abstract Register from 1st July 20X4, and filled the tax collection information of Mr. Md Abdul Halim who paid tax on 20th July 20X4.

At the end of every month, the tax collector calculates the total amount of tax collection (arrear and current). In this case, total arrear collection of this month of this ward is TK. 5,000 and the current collection is also TK 5,000.

Step 2: Filling Quarterly and Annual Statement of Tax collection from Abstract Register

After compiling ward-wise tax collections at the end of every month, the total amount of tax collections (arrear and current) is going to be filled in Monthly and Quarterly statement of tax collection.

Recommended format of Quarterly and Annual Statement of Tax Collection is as follows;

Quarterly and annual statement of tax collection

	Jul	Aug	Sep	Total 1st Q	Total 2nd Q	Total Half year	Total 4th Q	Total of the year
1	2	3	4	5 (2+3+4)	9 (6+7+8)	10 (5+9)	19 (16+17+18)	20 (15+19)
Ward 1								
Arrear	2,000							
Current	5,000							
Total	7,000							
Ward 2								
Arrear	5,000							
Current	9,000							
Total	14,000							
Ward 3								
...								
Total								
Arrear								
Current								
Total of the month								

Monthly and Quarterly statement tax collection described above shows the arrear and current collections of ward 1 and ward 2 in July.

Ward-wise tax collection amount and tax collection efficiency can be compared among wards. Such information should be shared with councilors.

Total tax collection amount (arrear and current) of the Paurashava will be then calculated at the end of year, and then tax collection efficiency is then calculated.

(5) Follow-up tax collection

After sending the first tax bills in the 1st quarter of the fiscal year, it is important to keep encouraging tax payers to pay tax throughout the year.

It is then most efficient if a paurahsava prepares 2nd, 3rd and 4th tax bill each quarter, if the tax collections are not completed. This is because tax payers tend to forget making tax payment if they are not reminded.

Some Paurashava might want to carry out such follow up activities through phone calls or visits. It is most important to keep contacting with tax payers throughout the year by any means.

(6) Closing Demand and Collection register: At the end of the fiscal year

At the end of the fiscal year, Demand and Collection Register of the year is closed, and the remaining demand is registered as the arrear demand of the next fiscal year.

This can be depicted in the example described below;

Demand and Collection Register (left side, demand)

Description of Demand							
	Holding tax	Rate					Total
		Lighting	Fire	Conser-vancy	Water	Sewe-rage	
1	2	3	4	5	6	7	8 (2+3+4+5+6+7)
FY: 20X3-X4							
Arrear (up to 30 June, 20X3)	3,500	1,500		3,500	5,000		13,500
1 st Installment	1,575	675		1,575	2,250		6,075
2 nd Installment	1,575	675		1,575	2,250		6,075
3 rd Installment	1,575	675		1,575	2,250		6,075
4 th Installment	1,575	675		1,575	2,250		6,075
Sub-Total current demand (Installment 1, 2, 3, and 4)	6,300	2,700		6,300	9,000		24,300
Total Demand (Arrear + current year demand)	9,800	4,200		9,800	14,000		37,800
FY: 20X4-X5							
Arrear (up to 30 June, 20X4)	3,150	1,350		3,150	4,500		12,150
1 st Installment							
2 nd Installment							
3 rd Installment							
4 th Installment							
Sub-Total current demand (Installment 1, 2, 3, and 4)							
Total Demand (Arrear + current year demand)							

This is an example of Mr. Md. Abdul Halim, mentioned above. Although Mr. Md. Abdul Halim paid the arrear demand, 1st quarter demand and 2nd quarter demand, he did not pay the 3rd and 4th quarter demand before the end of FY 20X3-X4. Therefore, the 3rd and 4th quarter demands are transferred to the arrear demand of FY 20X4-X5.

5. Recovery of arrears through attachment and sales

If a tax payer fail to pay the tax demand within designated timeframe, the tax payer is regarded as a defaulter. In this case, a paurashava can recover its tax demand through attachment and sales of the movable or immovable property of the defaulter.

However, if the tax collection efficiency of a paurashava is not very high, it needs to make regular tax collection efforts first before they try to recover their tax demands through attachment and sales. This is because the recovery through attachment and sales is effective only when collecting taxes from large defaulters who have enough income and assets, but is not very effective to increase the tax collection efficiency of a paurashava in general.

5.1. Rules on attachment and sales

Paurashavas are authorized to recover tax arrears through attachment and sales, as stipulated in **Article 103 (3) of Paurashava Act, 2009**.

Paurashava Act, 2009

103. Collection and Recovery of Taxes:

(1) All taxes, rates, tolls and fees levied under this Ordinance shall be collected in the prescribed manner.

(2) All arrears of taxes, rates, tolls and fees and other moneys claimable by a municipality under this Ordinance shall be recoverable as a public demand.

(3) Notwithstanding the provisions of sub-section (2), the Government may empower any municipality to recover arrears of taxes, rates, tolls, fees and other moneys claimable by the municipality under this Ordinance by distress and sale of movable property belonging to the person concerned, or by attachment and sale of the immovable property belonging to him.



5.2. Process of attachment and sales

At the beginning of the year, a paurashava finalizing the list of defaulters based on a review of the previous year's tax collection report submitted by the tax collector.

After finalizing the list of defaulters, the processes of attachment and sales carried out by a paurashava, stipulated in **Rule 10 of Paurashava Tax assessment and Collection Rules, 2013** is as follows;

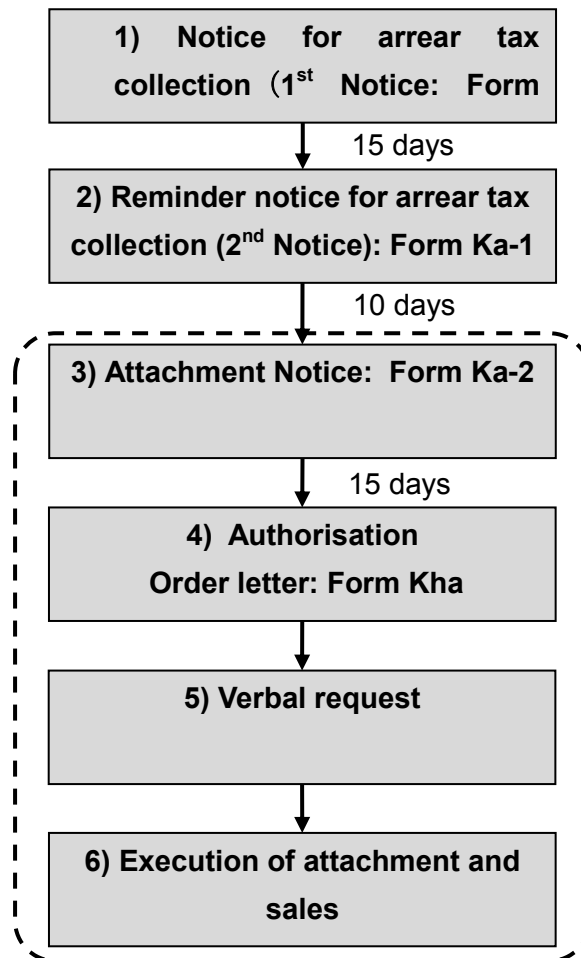
Paurashava Tax assessment and Collection Rules, 2013

10. Defaulted tax collection



- (1) If any person failed to pay any quarter of any tax or any other payable amount, Paurashava will publish produce a list of defaulter and publish it in Paurashava's notice board, and will provide notice to the defaulter according to 'form- a'.
- (2) If the defaulter does not pay the defaulted tax or payable amount within 15 days of receiving the notice, Paurashava will send another reminder notice providing 10 days more for the payment according to the form-a-1, under sub-section (1).
- (3) Paurashava can issue attachment notice to seize and sell the fixed or moveable assets of the defaulter to collect the debt as government demand, after the expiree of the time frame mentioned in the sub-section (2).
- (4) An officer or Staff of the Paurashava authorized by mayor will execute the attachment notice.
- (5) In case of probability of any indiscipline during attachment, mayor if necessary, can take support from the police, and the additional cost regarding police support, will be collected from the defaulter.

Flow of attachment and sales



1) Notice for arrear tax collection (1st Notice): Form Ka

If any taxpayer fail to pay any installment or any other tax in due time, a Paurashva will prepare a list of defaulters and put it on the Paurashava notice board.

At the same time, the Paurashava issue a notice to the defaulter using Form-Ka to demand them to pay the dues within 15 days from the received of the notice, as per Rule 10 (1) of the Paurashava Taxation and Tax Collection Rules.

(See “Annex 6: Forms of attachment and sales”)

2) Reminder notice for arrear tax collection (2nd notice): Form Ka-1

If the tax payer does not pay the dues within 15 days from receiving the 1st notice, then the Paurashava will issue a second notice to the taxpayer using Form- Ka-1, to

demand the payment of dues within 10 days, as per Rule 10 (2) of the Paurashava Taxation and Tax Collection Rules.

3) Attachment notice: Form Ka-2

If the defaulter failed to pay the dues within 10 days after receiving the 2nd notice, the Paurashava will issue “attachment notice” to attach and sell the immovable or movable assets of the defaulter to collect the dues, as per Rule 10 (3) of the Paurashava Taxation and Tax Collection Rules.

4) Authorisation related order letter :Form Kha

After 15 days from the issue of attachment notice, the mayor of the paurashava will issue an authorisation related order letter to and paurshava officer/staff following Paurashava Taxation and Collection Rules, 2013, rule 10(4).

5) Verbal request

The authorized officer or staff will then shall verbally ask the defaulter to immediately pay the tax, and if the defaulter refuses the requests, an authorized officer or staff will execute the attachment and sales, as per **Rule 11 (1) of Paurashava Taxation and Tax Collection Rules 2013**.

Paurashava Tax assessment and Collection Rules, 2013

11. Procedure of attachment and sale

(1) The authorized officer under sub-section (4) of article-10, will orally request the defaulter to pay the debt at once, and if the defaulter refused to pay the tax, the office will attachment the moveable assets of the defaulter and gave him a receipt;

Condition applies that, the assets cannot be attached which has been given remedy from attachment under sub-section (1) of article 60 of Judicial Order 1908 (No 5 act of 1908).

(2) ...



6) Execution of attachment and sales

As mentioned in **Rule 11 (1) of Paurashava Taxation and Tax Collection Rules, 2013**, an authorized officer or staff will execute the attachment and sales if the defaulter refused to pay the debt.

The detailed rules for the execution of the attachment and sales are as depicted in Rule 11 (2) – (11).

Paurashava Tax assessment and Collection Rules, 2013

11. Procedure of attachment and sale



- (1) ...
- (2) Debt along with the additional cost of attachment and sell should be collected from the sale of attached assets.
- (3) In the presence of two witnesses the movable properties will be attached from dawn to dusk and a copy of the list of attached assets shall be given to the defaulter.
- (4) The officer/staff responsible for attachment will remain liable for safe custody of all attached assets until those are sold or if arrears and other costs are paid before the sale then until releasing those to the defaulter will remain liable.
- (5) If the goods attached are perishable then the authorized person will arrange sales through open auction on the spot.
- (6) If the attached goods are non-perishable, the attachment performing officer/staff for auctioning of those will prepare a caretaker's certificate stating the date, time and place of the sale and can keep the assets to a local trustworthy person. If no guarantor is found, the said assets shall be kept in the Paurashava office.
- (7) Attachment performing officer/staff from the date of asset attachment will fix the date and time of auction within maximum 10 days, which will be verbally informed to the defaulter and caretaker, if available, and this event of sale will be announced to local public by beating drum/loud speaker.
- (8) Attachment performing officer/staff or any other officer/staff of the Paurashava authorized by Mayor will produce the said assets for open auction on stipulated date, time and place. The auction will be held in presence of at least one councillor.
- (9) The mayor or ward councillor, panel-mayor or any officer/staff of the Paurashava by himself or in the name of any other person not eligible to participate in the above auction.
- (10) The money received from auction will be used to adjust the arrears and cover costs incurred for attachment or sale. If the defaulter is not present the surplus money (if any), shall be deposited to Paurashava, fund which the defaulter will be eligible to claim within one year. Thereafter, the above money will be forfeited to the Paurashava fund.
- (11) If the defaulter pays the arrears before the auction including the associated costs, the attached assets shall be released to the asset owner/owners.

Annex 1: Tax collection amount and efficiency monitoring table

Year	Arrear Demand	Current Demand	Total Demand	Arrear Collection	Current Collection	Total Collection	Collection rate
1	2	3	4(2+3)	5	6	7(5+6)	8(7/4)x%
20X1-X2							
20X2-X3							
20X3-X4							
20X4-X5							

Annex 2: Tax Demand and Collection Register

Page No:.....

..... Paurashava

Tax Demand and Collection Register FY: 20....- 20.... To FY20....-20....

Holding No. : Ward No.:

Taxpayer's Name : Address/Mohalla Name:

Father/Husband Name : Annual Valuation:

Description of Demand								Description of Collection															
	Holding tax	Rate					Total	Date of receipt	Receipt No	Holding tax	Rate					Sub-Total	Surcharge	Croke Fee	Rebate	Total Collection	Balance (Dues)	Signature of assistant tax collector	Signature of tax collector
		Lighting	Fire	Conservancy	Water	Sewerage					Lighting	Fire	Conservancy	Water	Sewerage								
1	2	3	4	5	6	7	8 (2+3+4+5+6+7)	9	10	11	12	13	14	15	16	17 (11+12+13+14+15+16)	18	19	20	21 (17+18+19-20)	22 (8-17)	23	24
FY: 20.....-20.....								FY: 20.....-20.....															
Arrear (up to 30 June 20.....-20.....)								Arrear															
1 st Installment								1 st Installment															
2 nd Installment								2 nd Installment															
3 rd Installment								3 rd Installment															
4 th Installment								4 th Installment															
Sub-Total current demand (Installment 1, 2, 3, and 4)								Total															
Total Demand (Arrear + current year demand)																							
FY: 20.....-20.....								FY: 20.....-20.....															
Arrear (up to 30 June 20.....-20.....)								Arrear															
1 st Installment								1 st Installment															
2 nd Installment								2 nd Installment															
3 rd Installment								3 rd Installment															
4 th Installment								4 th Installment															
Sub-Total current demand (Installment 1, 2, 3, and 4)								Total															
Total Demand (Arrear + current year demand)																							
FY: 20.....-20.....								FY: 20.....-20.....															
Arrear (up to 30 June 20.....-20.....)								Arrear															
1 st Installment								1 st Installment															
2 nd Installment								2 nd Installment															
3 rd Installment								3 rd Installment															
4 th Installment								4 th Installment															
Sub-Total current demand (Installment 1, 2, 3, and 4)								Total															
Total Demand (Arrear + current year demand)																							
FY: 20.....-20.....								FY: 20.....-20.....															
Arrear (up to 30 June 20.....-20.....)								Arrear															
1 st Installment								1 st Installment															
2 nd Installment								2 nd Installment															
3 rd Installment								3 rd Installment															
4 th Installment								4 th Installment															
Sub-Total current demand (Installment 1, 2, 3, and 4)								Total															
Total Demand (Arrear + current year demand)																							
FY: 20.....-20.....								FY: 20.....-20.....															
Arrear (up to 30 June 20.....-20.....)								Arrear															
1 st Installment								1 st Installment															
2 nd Installment								2 nd Installment															
3 rd Installment								3 rd Installment															
4 th Installment								4 th Installment															
Sub-Total current demand (Installment 1, 2, 3, and 4)								Total															
Total Demand (Arrear + current year demand)																							
FY: 20.....-20.....								FY: 20.....-20.....															
Arrear (up to 30 June 20.....-20.....)								Arrear															
1 st Installment								1 st Installment															
2 nd Installment								2 nd Installment															
3 rd Installment								3 rd Installment															
4 th Installment								4 th Installment															
Sub-Total current demand (Installment 1, 2, 3, and 4)								Total															
Total Demand (Arrear + current year demand)																							

Use one page for each five years period for one holding. This register is modified by the Paurashava themselves as they desire, so no rule or form no. used here as reference.

Annex 3: Recommended formats of Tax bill and Tax receipt

Recommended Tax Bill Format

<u><i>Paurashava Tax bill</i></u>							
			 Paurashava			
Bill No:		Financial Year:					
Holding No Old:							
Taxpayer ID							
Name of Tax payer				Father/Hus:			
Ward/Road/Mouja							
Address of bill							
Date of bill issue				Type of taxpayer:			
Last date of Payment				Annual Valuation:			

Description of Tax	Arrear	Current Year					Grand Total
		1st install-ment	2nd install-ment	3rd install-ment	4th install-ment	Total	
Holding Tax							
Lighting rate							
Conservancy rate							
Water rate							
Sur charge							
Croke Fee							
Total bill							

Rebate is given to the current demand payment,

5.00% : if Current quarter bill is paid in the current quarter

7.50% : if the first and following quarter bills are paid in advance

10.00% : if all four quarters bills are paid in the first quarter

Recommended Tax receipt format

Paurashava Tax Receipt:

..... Paurashava

Bill No: Financial Year:

Holding No Old:

Taxpayer ID

Name of Tax payer Father/Hus:

Ward/Road/Mouja

Address of bill

Date of bill issue Type of taxpayer:

Last date of Payment Annual Valuation:

Description of Tax	Arrear	Current Year					Grand Total
		1st install-ment	2nd install-ment	3rd install-ment	4th install-ment	Total	
Holding Tax							
Lighting rate							
Conservancy rate							
Water rate							
Sur charge							
Croke Fee							
Total bill							

Calculation of Rebate:

x =

Net Payment

(Total bill) - (Rebate) =

Collector _____

Date of collection _____

Rebate is given to the current demand payment,

- 5.00% : if Current quarter bill is paid in the current quarter
- 7.50% : if the first and following quarter bills are paid in advance
- 10.00% : if all four quarters bills are paid in the first quarter

Annex 4: Rebate calculations

Payment Period	Quarter Nos. and Tax Demand-Tk.		Rate of rebate (%)	Rebate amount-Tk.	Net Payable-Tk.
	Quarter/s Nos.	Quarter/s Tax Demand-Tk.			
1	2	3	4	5(3x4)	6(3-5)
1st Quarter (July to September)	1 Quarter	100	5%	5.00	95.00
	1+2 Quarters	200	7.5%	15.00	185.00
	1+2+3 Quarters	300	7.5%	22.50	277.50
	1+2+3+4 Quarters	400	10%	40.00	360.00
2nd Quarter (October to December)	1 Quarter	100	Nil	*	100.00
	2 Quarter	100	5%	5.00	95.00
	2+3 Quarters	200	7.5%	15.00	185.00
	2+3+4 Quarters	300	7.5%	22.50	277.50
3rd Quarter (January to March)	1 Quarter	100	Nil	*	100.00
	2 Quarter	100	Nil	*	100.00
	3 Quarter	100	5%	5.00	95.00
	3+4 Quarters	200	7.5%	15.00	185.00
4th Quarter (April to June)	1 Quarter	100	Nil	*	100.00
	2 Quarter	100	Nil	*	100.00
	3 Quarter	100	Nil	*	100.00
	4 Quarter	100	5%	5.00	95.00

Abstract register of tax collection

[illegible]

Quarterly and annual statement of tax collection

Head of receipt	July	August	September	Total 1 st Quarter	October	November	December	Total 2 nd Quarter	Total half year	January	February	March	Total of the 3 rd Quarter	Total of three Quarters	April	May	June	Total 4 th Quarter	Total of the year
1	2	3	4	5 (2+3+4)	6	7	8	9 (6+7+8)	10 (5+9)	11	12	13	14 (11+12+13)	15 (5+9+14)	16	17	18	19 (16+17+18)	20 (5+9+14+19)
Ward 1																			
Arrear collection																			
Current collection																			
Total																			
Ward 2																			
Arrear collection																			
Current collection																			
Total																			
Ward 3																			
Arrear collection																			
Current collection																			
Total																			
Ward 4																			
Arrear collection																			
Current collection																			
Total																			
Ward 5																			
Arrear collection																			
Current collection																			
Total																			
Ward 6																			
Arrear collection																			
Current collection																			
Total																			
Ward 7																			
Arrear collection																			
Current collection																			
Total																			
Ward 8																			
Arrear collection																			
Current collection																			
Total																			
Ward 9																			
Arrear collection																			
Current collection																			
Total																			
Total of the month																			
Arrear collection																			
Current collection																			
Total																			
Signature: Tax collector																			
Signature: Secretary																			
Signature: Mayor																			

Annex 6: Forms of attachment and sales

NOTICE Form- a Article 10(1) Notice for debt collection

To,
Mr./Ms.-----of -----word of
-----Paurashava. According to the bill enclosed
with the notice, your defaulted amount is-----tk. and the amount is
demanded at once. If you do not pay the mentioned amount within 15 days of this
notice to any of the authorized person or to the Paurashava office, Paurashava will
collect the amount from you by attachment and sell (auction) of your property and
assets or through any other way guided in the act along with the additional cost of
collection and auction.

Date: -----/-----/20-- Year.

Mayor

-----Paurashava

Signature of the notice provider: -----

Paurashava Office

Copy of Bill

No of bill.....Holding

No.....Word No.....

Maholla/road.....

.....

Name of the tax payer.....

Father/husband Name.....

The total amount of demand for the mentioned house from.....year
quarterly installment from the year.....to quarterly installment of
year..... is as bellows.

Tax on building and land :

Rate for waste disposal :

Rate for Street light :

Water rate :

Grand total :

No

Date:/...../20.....Year.

Mayor

-----Paurashava

Form- a-1
Article 10(2)
Reminder letter for debt collection

To,
Mr./Ms.-----of -----word of
-----Paurashava. After serving the demand
notice from this office on 15 days have been passed,
but you have not yet paid the demanded money.

Therefore, you are hereby instructed that you must pay the total demanded money
(total arrear) within 10 (ten) days from the date of serving this notice. Otherwise,
actions will be undertaken to collect the Paurashava tax as per the Paurashava Act.

Hope that you will willingly and for own interest must pay the total amount of the
above tax within the above-mentioned deadline and will not force the authority to
resort to unpleasant step to collect the tax.

No-----

Date-----/-----/20-----year

Mayor
-----Paurashava

Form-a-2
Article 10(3)
NOTICE FOR ATTACHMENT

Mr./Ms.-----
-----.

You are indebted for the arrear tax of Paurashava to the amount as mentioned below. Meanwhile, despite serving demand notice and its reminder to your address you have not paid the indebted amount within the stipulated time. At present the above arrear amount to you has been termed as government demand and it is being demanded for collection. If the total demanded amount of money is not paid within 15 (fifteen) days of serving this notice to the authorized collector or Paurashava office then without any further communication the mentioned amount with all related expenses will be realized via attachment and sale (auction) of your assets and goods.

No-----

Date: -----/-----/20-----Year.

Mayor

-----Paurashava

Signature of the notice issuing officer

Paurashava Office

Copy of Bill

No _____ of _____ bill.....Holding

No.....Word No.....

Maholla/road.....

Name of the tax payer.....

Father/husband Name.....

The total amount of demand for the mentioned house from.....year
quarterly installment from the year.....to quarterly installment of
year..... is as bellows.

Tax on building and land :

Rate for waste disposal :

Rate for Street light :

Water rate :

Grand total :

No

Date:/...../20.....Year.

Mayor

.....Paurashava

Form-b
Article 10(4)
ORDER SERVED BY AUTHORIZED NOTIFIER

Memo no.....

Date:

As Mr./Ms.....son/daughter of
.....holding

no.....Maholla/road..... is defaulter for the holding tax according to description as bellows, and as because 15 days have passed since a final notice there after regular demand notice (reminder if applicable) issued to him/her, the mentioned defaulter did not pay the debt or even did not show the cause of that.

Therefore, yourself, Mr. /Ms.
Is delegated the power to effect attachment of the movable properties valued equivalent to the total amount of arrear of Tk.which can be traced in any place within Paurashava or available in the above holding and also empowered to take-over additional assets/goods equivalent to the value of Tk.to cover the appropriate costs associated with the attachment, take-over, and sale of the above assets. If there are no assets/goods outside which can be attached then, as per the Article 12 of the Paurashava Taxation and Tax Collection Rules 2013, it is ordered to break the door and enter the house to attach the assets/goods remaining inside. If the said amount of Tk. is not realized within 10 days of the above attachment then the attached assets/goods will be sold in auction. The Paurashava's arrear of Tk. will be repaid from the money received from this auction and the surplus after deducting the costs associated with activities during attachment, take-over, maintaining and auction will be given back to the person whose assets were attached or in case he/she is not found the surplus will be deposited to Paurashava. You will inform the authority with a note, if no assets/goods of that person appropriate for attachment is found. To perform the attachment and sale activities you will follow the process (copy attached) written in Articles 11 & 12 of the Paurashava Taxation & Tax Collection Rules 2013.

Description of debt

the amount of total demand from quarterly installment of.....year to quarterly installment ofyear is as bellows:

Tax on building and land	:
Rate for waste disposal	:
Rate for Street light	:
Water rate	:
Total	:
Warrantee fees	:
Grand total	:
(In wards	:)

Mayor
.....Paurashava