

Government of the People's Republic of Bangladesh



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

Handbook
On
Paurashava Tax Assessment

May2018

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

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1. Introduction

1.1. Paurashava tax assessment

As the tax on building and land (holding tax) is one of the major sources of the paurashava revenue, tax assessment, in which the valuation of assets, especially buildings, are determined is one of the most important functions at Paurashavas.

There are mainly two kinds of tax assessment, which is called as (i) a re-assessment and (ii) an interim assessment. (i) A re-assessment is a periodical assessment on holdings every five years, and (ii) interim assessment is an ad-hoc assessment, which is carried out when a new building is constructed and a building is expanded. Through the re-assessment and interim assessments of buildings and lands, the tax is determined to be reconciliated and interim. Annual assessments of buildings and land are determined by the tax and rate of rent multiplied by the annual tax and the annual tax divided by four (4) quarterly tax amounts.

Proper tax assessment is essential to secure the tax revenue of paurashava. If tax assessment is carried out properly, the valuation of holdings are determined based on actual values, it is possible for paurashavas to secure enough funds from tax revenues, and thus they would be able to provide sufficient public services.

1.2. Objective of the Operational Handbook on Paurashava Tax Assessment

This operational handbook is targeting on enhancing the capacity of concerned staff members and representatives of the Paurashava for carrying out tax assessment in a fair and transparent manner, following rules and regulations, in

Through proper tax assessment, a Paurashava would be able to maximize its tax revenue, and then the Paurashava can provide more municipal services to the citizen including constructing and maintaining necessary infrastructure facilities.

2. Legal background

2.1. Rules on tax assessment

Concerned rules and regulations in tax assessment are as follows;

- **Local Government (Paurashava) Act, 2009**
- **Paurashava Taxation and Collection System Rules, 2013**
- **Paurashava Model Tax Schedule, 2014**

Based on **Article 98 of Local Government (Paurashava) Act, 2009**, paurashavas are authorized by the government to levy taxes, rates, cesses, tolls and fees.

The following articles and rules are related with tax assessment system:

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

Local Government (Paurashava) Act, 2009

Number of Article	Title
55	Formation of Standing Committee by the Municipality:
98	Municipal Taxation
99	Notification and Enforcement of Taxes
100	Model Tax Schedules
101	Directions with Regard to Levy of Taxes-
102	Liability on Account of Taxes
103	Collection and Recovery of Taxes
104	Evaluation, Taxation, Petitions against Valuation
3 rd Schedule	Taxes, rates, tolls, fees which may be levied by municipality and other sources

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

The following articles and rules are related with tax assessment system:

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

Paurashava Taxation and Collection System Rules, 2013

Number of Rule	Title
3	Proposal of tax assessment-
4	Permission of the Government-
5	Notice of tax assessment
6	Government order regarding tax assessment-

17	Tax on building and land
18	List of tax evaluation (2)Preparation of the assessment list (a) In case of fully rented building (b) In case of fully occupied building (c) In case of partly rented and partly occupied building (3)Issue notice to owners or occupiers / Form C (4) Submission of Return/ Form D
19	Tax assessment list / Form E
20	Publishing the list of tax assessment / Form F
21	Application for consideration of the review of tax assessment / Form G (1) Application for a re-assessment /Form (G) (2) Resolution of the application for a re-assessment (3) Hearing within 4 months from the date of first hearing (4) Correction, revision or withdraw of the tax assessment list (5) Finalisation of the tax assessment list
22	Modification of tax assessment list
23	Increasing building tax
24	Procedure of tax payment during resolving the argument on tax assessment
25	Power of combined tax assessment on leased land and building on that.
26	Circular about transfer of ownership
27	Notice about receiving land or building by way of inheritance
28	Responsibility of paying the tax
29	Tax assessment before finalizing the Budget
30	Restriction on tax assessment on few building
31	Limitations in assessment of rate on water and light
32	Limitation in assessment of rate on waste disposal

The Paurashava Model Tax Schedule, 2014, prepared based on **Article 100 of Local Government (Paurashava) Act, 2009** and **Paurashava Taxation and Collection System Rules, 2013**, stipulates the tax rates.

The following articles and rules are related with tax assessment system:

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

The Paurashava Model Tax Schedule, 2014

Serial number	Title
3	Tax on Building and Land
21	Allotment, advance and rent fixation for room of shop
22	Connection fee and rate for water supply line
23	Lighting rate
24	Waste disposal rate
25	Drainage rate

2.2. Formation of Tax assessment and collection standing committee

A standing committee to be formed by the Paura Parishad named Tax assessment and Collection committee for 2.5 years period as given table below. The committee will be responsible for the tax assessment and collection system of the Paurashava according to **Rule 56(1) of Local Government (Paurashava) Act, 2009**.

The standing committee will be composed of a mayor and four councilors. Female members are to be included up to 40% of total members, according to **Rule 5 of Local Government (Paurashava) Act, 2009**.

The members and the mandates of the standing committee, indicated in the circular issued by Local Government Division on 02.01.2013, entitled as “**Formation of Municipal Standing Committee & sending a draft copy of sub-rules regarding activities of committee**”, are as follows;

Bylaw 2013 on Formation of Municipal Standing Committee & Committee's Functions



1st schedule

[Section 3]

(a) Establishment of finance standing committee

Formation of “establishment and finance committee” will be as follows;

Sl. No.	Name	Designation	Designation in the Committee
1		Councilor (General/Reserve), Ward No.	President
2		Mayor, by virtue of position	Member
3		Councilor (General/Reserve), Ward No.	Member
4		Councilor (General/Reserve), Ward No.	Member
5		Councilor (General/Reserve), 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, searching 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 it
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	
	Rule	% (not exceeding)
(a) Tax on Annual Value of building and land	Rule-03	7
(b) Lighting Rate	Rule-21	3
(c) Fire Rate*	-	-
(d) Conservancy Rate	Rule-22	7
(e) Water Rate	Rule-24	10
(f) Sewerage Rate* (The Paurashava Model Tax Schedule, 2014)	Rule-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 fraction able 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 fix 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.

**2.4. Restriction of Tax assessment**

Some buildings or service providing institutes are exempted for tax assessment. These restrictions should be noted, especially when determining the tax demand amount through tax assessment process.

2.4.1. Exemption of Tax on buildings

The following buildings are exempted for imposing with conservancy rate and with any other types of taxes (Rule 30(1) of Paurashava Taxation and Collection System Rules, 2013).

- Buildings used exclusively for prayer and morgue.
- Registered graveyard or burial palaces for publicly used.

Buildings used for welfare of the people; tax may be exempted partly or wholly of these type of building (Rule 30(2) of Paurashava Taxation and Collection System Rules, 2013).

Buildings owned by freedom fighters used for as own residence not exceeding 1,000 square feet will be waived for holding tax (Rule 3 of Paurashava Model Tax Schedule, 2014).

Paurashava Taxation and Collection System Rules, 2013**Rule 30. Tax impose is exempted on some buildings**

Religious institutes, Graveyard, Burial places, registered places for grave of burial places are exempted for conservancy rate with any other rates.

(1) Paurashava may exempt tax partly or wholly on those building or infrastructures which are being used for public welfare services.

(2) Paurashava can offer partial or full tax exemption to the buildings those are being used only for public welfare service.



2.4.2. Water and Lighting rates

The following buildings are exempted for imposing water and lighting rates

- Buildings not covered by pipe-water supply and street lighting facilities developed by the relevant authorities.
- Buildings located 300 feet away from the street light points.

Paurashava Tax Assessment and Collection System Rules, 2013

Rule 31. Limitation in water and lighting rate impose:

The rate on water and light will be assessed considering the bellow mentioned stuffs:



- (a) In those area where the pipeline construction for water supply or establishment of post, cables have been completed or any project have been approved to do these works, rate on building can be assessed only in those areas;
- (b) Until ensuring the water supply and lighting facilities, rate on building from that area cannot be collected; and
- (c) Rate on building for street light cannot be assessed on a building situated in more than 3 (three) hundred feet distance from the street light post.

2.4.3. Conservancy rate

The following buildings are exempted for imposing conservancy rate.

- Buildings not covered by the conservancy services to clean individual toilets, urinal, sewage and public roads.

Paurashava Taxation and Collection System Rules, 2013

Rule 32. Limitation of conservancy rate impose:

Until ensuring the facilities of public toilet, urinal, waste management and waste disposal, road swiping to any area, rate on waste disposal can be assessed to that area.



3. Process of Tax Assessment at Paurashavas

The amount of holding tax paid by each tax payer (owner) is determined by the valuations of holding and the tax rate.

The valuation of holdings are determined through “tax assessment” based on certain rules mentioned in **Paurashava Taxation and Tax Collection System Rules, 2013**.

Holdings are assessed every five years, and this is called as a “**re-assessment**”. Beside this, tax assessment is conducted when buildings are newly constructed or major changes are made. This is called as “**Interim assessment**”.

In this section, the process of re-assessment, which is conducted every five years, is explained. It is then followed by the process of interim assessment.

3.1. Process of re-assessment

3.1.1. Overall process of re-assessment

A re-assessment of holdings is conducted every five year as depicted in **Rule 18** of **Paurashava Taxation and Collection System Rules, 2013**

Paurashava Taxation and Collection System Rules, 2013

Rule 18. List of tax assessment

- (1) Paurashava will prepare the evaluation list of building for the assessment of tax and rate under article 17 and except further notice from authority, the Paurashava will have to renew the list in every 5 years.
- (2) ...



It takes roughly one year to complete a re-assessment of holding.

The overall process of re-assessment is as follows;

- 1) Submit a proposal on re-assessments and obtain approval by the government
- 2) Make announcement on re-assessments
- 3) Distributes forms to collection information of holdings to the citizens
- 4) Collect information on holding from citizens
- 5) Insert the information of each holding following a ward-wise tax assessment list
- 6) Review the assessment results

- 7) Finalize the re-assessment results
- 8) Insert the final tax assessment results to a ward-wise tax assessment list

When all processes are completed, the tax demand amount of each holding will be determined based of the re-assessment results.

Details of each process will be explained in the following section.

When carrying out re-assessments, securing sufficient man-power is important, as there are many activities in the re-assessment process.

Therefore, in many paurashavas, under the instruction of mayor, officers in other sections (e.g. tax collectors, engineers) are assigned to support re-assessment works. Tax assessment section should seek for such supports, especially during the period when others sections are not very busy.

3.1.2. Individual process of re-assessment

1) Approval by the central government on re-assessment

The tax assessment to be carried out by a Paurashava is “tax assessment and tax collection” standing committee, which is composed of four councilors and a mayor.

The tax assessment at Paurashavas starts from the submission of a proposal to the government. The standing committee prepares a proposal on tax assessment, and then submit it to the government, **Local Government Division (LGD) Ministry of LGRD & Cooperatives**. After getting approval from the central government, paurashava start conducting re-assessments.

Paurashava Taxation and Collection System Rules, 2013

Rule 3. Proposal of tax assessment-

(1) All the proposals of tax assessment of the paurashava will be prepared by the paurashava tax assessment and collection standing committee of that paurashava:



But the condition is, no tax can be assessed at the rate more than the rate prescribed in the model tax schedule introduced by the Government.

(2) All the proposals of the tax assessment prepared under sub-section (1), will have to publish before finalizing in any open place of the paurashava in any other place prescribed by the prescribed authority.

(3) Any of the persons having probability to be looser by the newly published tax assessment list can apply with arguments to the chairman of the paurashava within one month of publishing that tax assessment list.

Rule 4. Approval of the Government- The newly prepared tax assessment proposals will have to submit to the Government along with the bellow mentioned documents for approval, such as-



a) Name, rate and approximate annual amount of collection of the proposed tax,

b) Name, rate and annul collection of the existing tax

c) The persons, assets or products which will be included under this tax,

d) Existing procedure of tax collection and additional cost of tax collection,

e) Income and expenditure of last three years of that concern paurashava,

f) Objectives of the tax assessment and tax impose which is to meet up the deficit of the current account, or to initiate any new development project,

g) Any exceptional proposal, if any, and

h) Date of activation of the tax.

A Paurashava might also receive an order of tax assessment from the government, as specified in **Rule 6 of Paurashava Taxation and Collection System Rules, 2013**. In this case, the Paurashava is supposed to start tax assessment within one month, and then make announcement on the commencement of tax assessment.

Paurashava Taxation and Collection System Rules, 2013**Rule 6. Government order regarding tax assessment-**

(1) If any order of tax assessment has been provided to any of the paurashava from the Government under article 101 of this act, the concern paurashava will take decision in this regard within one month, and will publish that in an open place of the paurashava or on any prescribed palace of the paurashava by the prescribed authority.

(2) Any of the persons having probability to be looser by the newly published tax assessment list under sub-component (1), can apply with arguments to the chairman of the paurashava within one month of publishing that tax assessment list.

(3) Any of the persons having probability to be looser by the newly published tax assessment list can apply with arguments to the chairman of the paurashava within one month of publishing that tax assessment list.

2) Make announcement on re-assessment

Immediately after the approval by the government on the proposal, the Paurashava publishes the tax assessment proposal in a Government Gazette.

Many paurashava makes announcement to citizens on the re-assessment of holdings by relaying messages over loudspeakers, leaflets or posters, to announce the tax assessment program, and to request supports for the tax assessment programs.

Paurashava Taxation and Collection System Rules, 2013

Rule 5. Notice of tax assessment – Immediately after getting approval of the Government, paurashava will publish the tax assessment proposal in the Government gazette, the date from which the tax will be activated will be mentioned in that notice.

**3) Distributes forms to collection information of holdings to the citizens**

In the tax assessment process, “tax valuation list” which shows the valuation and tax demand of all holding in a paurashava, is updated.

In order to update the information, the Paurashava first issue a notice to request the owners to provide information on holdings, such as the amount of rent or the construction values of holdings, as specified in **Rule 18 (3) of Paurashava Taxation and Collection System Rules, 2013**

Paurashava Taxation and Collection System Rules, 2013

Rule 18. List of tax evaluation



(3) For the preparation of evaluation list, the authorized tax assessment officer, if think to do so, can request the owner and boarder to submit the proper and actual accounts of rent or annual value through a notice using Form-C.

(4) After issuing the notice under sub-section (3), the concern person will submit the proper and actual information of building and land according to form- D within seven days of receiving the notice.

The format of the notice to request owners to provide information on rent or annual value of building and land is **Form C “Notice to submit the actual accounts of rent or annual value of building or land”** of **Paurashava Taxation and Collection System Rules, 2013**.

Form- C

[Article- 18(3)]

Notice to submit the actual accounts of rent or annual value of building or land

Memo No: Date:

To:

Father/Spouse name:

Address:

you are requested to submit the proper and actual accounts of rent or return of annual evaluation of your land and building on above mentioned address accordingly with the enclosed form D to the signatory mentioned below within **seven days of receiving this notice** for the purpose of preparation of revised evaluation list under article 18(3) of the Paurashava taxation and collection system rules, 2013. In case of failure, you will be bound to pay the penalty of maximum Tk. 50 at once and then after Tk. maximum 5 for each day.

.....
.....Paurashava

This will be attached with **Form D “Statement of rent or annual value of building or land”** of the same rule, which will be filled and submitted by owners.

4) Collect information on holdings from citizens

Form D “Statement of rent or annual value of building or land” will be then filled up within 7(seven) days after receiving the notice mentioned as specified in **Rule 18(4)** of

Paruashava Taxation and Collection System Rules, 2013.

Paurashava Taxation and Collection System Rules, 2013

Rule 18. List of tax evaluation

(4) After issuing the notice under sub-section (3), the concern person will submit the proper and actual information of building and land according to form- d within seven days of receiving the notice.



An example of Form D: Statement of rent or annual value of building or land is as follows. Item 1 -6 will be filled by the owner and item 7-8 will be filled up by a tax assessor.

Form- D
[Article- 18 (4)]

Statement of rent or annual value of building or land

1. Ward Name: 4
2. Mohalla/Road/Street : Kazipara Road
3. . Present number of building and land (holding) in the list of tax assessment: 509.
4. (a) Owner (owners) name of the holding: Abdul Karim
Father/Husband Name: Abdul Majid
- (b) Boarder (boarders) Name; Saidur Rahman
Father/Husband Name: Ataur Rahman
5. Area covered by the land or building
- (a) By building (1) Pacca building: 2,000 sft
(2) Semi pacca: 1,000 sft
(3) Temporary: 500 sft
(4) Total: 3,500 sft
- (b) By vacant land (1) Pond: 1,500 sft
(2) Canal: 50 sft
(3) Garden: 300 sft
(4) Open toilet: No
(5) Other used: No
(6) Description of the building (should be submitted according to the direction of next page) _____

Abdul Karim
(Signature of the return issuing person)

(Should be filled up by **Paurashava executives**.....)

↑ Filled by the owner

6. New holding no (if provided) of building and land:

7. Annual value calculated by **Paurashava executives**

↓ Filled by assessor

Resident	Residential Building	Shop/storage/industry/ Workshop	Vacant land (if assessed separately)	Total
(a)Owner (himself)				
(b)Boarder (tenant .)				

8. Comments of tax assessor with informing the base of annual value assessment including causes, If there is any difference in tax assessment on assets between same area and road.

.....
Paurashava

Description of Building										
(According to the serial no.-6 of previous page)										
Type of Building	Construction type: pacca, semi-pacca, kancha, temporary wooden , plain or shed of tally, leaf wave teen shed or flat, etc.	Age and present condition of the building	No of floors	Nos, design and description					Present Value or annual rent of the building occupied by the owner or boarder	Comments
				No of room	Balcony (open or close)	Bath room	strides	Total area of floor		
1	2	3	4	5	6	7	8	9	10	11
(a) Occupied by the owner										
Residential building										
(2) Shop/ Storage/ industry/ Workshop										
(b) Occupied by the Boarder										
Residential building										
(2) Shop/ Storage/ industry/ Workshop										

In the “Description of Building”, the present value of the holding or annual rent of the building will be filled. In case the building is used by a owner, the rental revenue of a similar facilities should be indicated in this table.

Tax assessors examine the information provided by owners. If the information provided by owners are not realistic (e.g rental fee is too small), then tax assessortake further actions to collect more detailed information, as depicted in **Rule 18 (5) of Paurashava Taxation and Collection System Rules, 2013**.

The assessor can enter into the house, or inspect it or measure it in order to carry out the assessment. In order to do so, a notice to be served to the occupier of the house before minimum 24 hours . The assessor cannot enter into the house before the sunrise and after sunset.

Paurashava Taxation and Collection System Rules, 2013

Rule 18. List of tax evaluation

(5) The tax assessment officer can enter in to that house, visit it and measure it in between sun rises to sun sets.

But condition applies that, to enter, visit and measure any building, a notice to the occupier should be issued minimum 24 hours before.



5) Insert the information of each holding to a ward-wise tax assessment list

The information provided by the owners, especially the “description of building” of Form

D, are filled in "Tax assessment list" given in **Form F** of **Paurashava Taxation and Collection System Rules, 2013**.

Paurashava Taxation and Collection System Rules, 2013

Rule 19. Tax assessment list

Paurashava will prepare the tax assessment list according to form- e, which will contain the information given below Name of the road beside which the building is situated;



- (a) Number of the building mentioned in the register book;
- (b) Description of the building;
- (c) Annual value of the building;
- (d) Name of the owner;
- (e) Amount of payable annual tax and rates;
- (f) Amount of quarterly installment;
- (g) Statement of that in case of if the building is exempted form tax: and
- (h) Any other information eligible by the Paurashava.

The format of the assessment register is **Form E** of **Paurashava Taxation and Collection System Rules, 2013**, which is shown below.

Form-E
[Vide Article 19]
Tax Assessment list of the Year.....

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	Conser-vancy	Water	Street Lighting	Fire	Total			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1																
2																
3																
	Sub-Total															

The tax assessment list is prepared for each ward, covering all the owners in the ward. An example of the tax assessment list (Form E) is as follows;

Form-E

[Vide Article 19]

Tax Assessment list of the Year.....

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	Conservancy	Water	Street Lighting	Fire	Total			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1	Manik Road	1	1	Pucca	84,000	Abdul Halim	4	5,880	5,880	8,400	2,520	-	22,680	5,670	-	-
2	Do	2	2	Pucca	96,000	Md. Delwar Hossain	4	6,720	6,720	9,600	2,880	-	25,920	6,480	-	-
3	Do	002-01	3	Pucca	59,000	Gopal Saha	4	4,130	4,130	5,900	1,770	-	15,930	3,983	-	-
...
	Sub-Total	-	-	-	2,39,000	-	-	16,730	16,730	23,900	7,170	-	64,530	16,133	-	-

This form is filled by the information provided by the owner through Form D, and the assessment results conducted by tax assessors (tax assessor, assistant assessor).

Some of the items in the lists are filled as follows;

- **Holding number:** The new and old holding numbers are filled here. This is necessary especially when referring to the old tax assessment result.
- **Description of the building:** This item is filled from “pacca, semi-pacca, kancha, temporary wooden , plain or shed of tally, leaf wave teen shed or flat, etc.”
- **Valuation:** This is obtained from the tax assessment result. The valuation rule is described in Rule 18 (2), and “5.Method of Tax assessment“ of this handbook.
- **Type of Payable tax or rate:** This field is to enter types of payable tax or rate, such as (1) Holding Tax, (2) Conservancy,(3) Water, (4)Street Lighting and (5)Fire rate. Number of payable tax or rates may be indicated.
- **Annual payable tax and rate:** This is the amount of tax demand that the owner is demanded to pay per year. This is calculated from “valuation” x “tax rate”
- **Amount of quarterly installment:** Tax liability is payable by 4 quarters in a year in equal 4 installments. This is one fourth of annual payable tax and rate.

The “Amount of payable annual tax or rate” of holding tax and other rates are calculated from “valuation” x “rate”.

The maximum rate of each tax and rate specified in Model Tax Schedule 2014 are as

follows;

Holding Tax	7%
Lighting Rate	3%
Conservancy Rate	7%
Water Rate	10%
Sewerage Rate	12%
Total Annual Tax demand	39%

As mentioned above, this is the maximum rate, and the same rates are not applied to all owners. For example, a household who is not receiving water supply facility does not have to pay water rate (**Rule 31 of Paurashava Taxation and Collection System Rules, 2013**).

Suppose the valuation of a holding is TK.100,000, and the maximum rates are applied to this holding, the annual payable tax and rate are calculated as follows;

Particulars	% (Up to)	Amount-Tk.
Holding Tax	7%	7,000
Lighting Rate	3%	3,000
Conservancy Rate	7%	7,000
Water Rate	10%	10,000
Sewerage Rate	12%	12,000
Total Annual Tax demand	39%	39,000

The amount of payable of each tax and rate will be then filled in the tax assessment list.

In this case the **annual payable tax and rate (Total)** is TK.39,000 and thus the amount of quarterly installment, which is one fourth of annual payable is TK.9,750.

6) Review the assessment results

When assessments results are input in Tax assessment List, the mayor will sign on every page, and then the list is made public, as specified in **Rule 20 (1) and (2) of Paurashava Taxation and Collection System Rules, 2013**.

As in **Rule 20(3)**, the Paurashava will issue notice to owners to inform the assessment result, using **Form F**. The notice is sent to those whose holding tax was assessed for the first time or whose holding tax was increased.

Paurashava Taxation and Collection System Rules, 2013

Rule 20. Publishing the list of tax assessment



- (1) Mayor or his authorized officer will sign in every page after the preparation of tax assessment list under article- 19.
- (2) Tax assessment list prepared under sub-section- 19 should be published in open place of Paurashava office and every word and announce it through mike.
- (3) Paurashava will issue notice according to form- f to the owner or boarder of the assets in case of tax assessed for the first time or tax is increased.

Form F, which is used for the announcement of assessment result is as follows. The information necessary to fill **Form F** is included in Tax Assessment List.

Form- F

[As per article- 20(3)]

Notice for informing assessment of Paurashava tax

Memo no: Date:
Name of holding owner:
Father/Husband Name:
Address:

This is to be notify for your kind information that, According to article 20(3) of Paurashava tax assessment and collection system rules- 2013, the annual tax and rate on the present holding no;
(Previous holding no; ofmaholla/road/street ofword of this Paurashava have been revised under article- 31(1) of this rules, and the new/revised tax and rate is as bellows. If you have any arguments on tax, ownership, houses/shop/building, etc. you can apply for re-assessment to the Paurashava through form- G, purchasing from Paurashava office in declared price. No application will be accepted after particular time and the tax assessed on you will be finalized. The tax will be implemented and collected from the date.....of.....year.

So, in this situation you by yourself or your authorized person can apply through form-G about your arguments for re-assessment within 30 (thirty) days of issuing this notice.

Tax assessor Mayor
.....PaurashavaPaurashava

Revised annual tax and rate:
Annual assessment:
Tax on building and land :
Conservancy rate:
Rate on street light:
Water rate:
Total:
(In ward:)

Date of issuing the notice:

(N.B.: This notice will be consider as final notice)

After the tax assessment result was sent to owners, if the owners are not satisfied with tax assessment results, they can apply for re-assessment or redemption, as specified in **Rule 21 (1) of Paurashava Taxation and Collection System Rules, 2013.**

In this case the owners need to submit such request using Form G, within 30 days after the assessment results was noticed.

Form- G
[As per article- 21(1)]

Application for re-consideration of tax evaluation and tax assessment list

1. Date of application:	
2. Name of the applicant:	
3. Father/Husband name:	
4. Holding/house no:	
5. Road/maholla's name:	
6. Annual assessment	
(a) Existing:	
(b) Revised:	
7. Brief description of causes for remedy of the applicant:	
	Signature of the applicant's (For office use only)
8. Certificate of the office about the accuracy of information from column 1 to 7.	
9. Comments of the officer representing the Paurashava:	
10. Order of tax assessment and collection committee about every building:	
(a) Summery of the order:	
(b) Finally settled annual assessment:	
11. Signature of the members of the tax assessment and collection committee:	
(1)..... (2) (3)	
(4)..... (5)	
12. Payable arrear from the applicant and comments on the installment from which the order will be implemented:	
.....	
.....	Signature of the divisional head

After receiving applications, the mayor forwards it to the tax assessment and collection committee for settlement. The tax assessment and collection committee will issue a notice to the applicant showing time and place of hearing. The hearing should be concluded within 4 months from the date of first hearing.

As **Rule 21 (4)** specifies, only “after getting proper witness and investigation”, the tax assessment register is revised. Therefore, reductions in tax assessments should not be made without specific evidences (such as smaller rental fees, or smaller construction costs).

It is also important for tax collectors, assessors and secretaries to explain the importance of tax collections in public service delivery and infrastructure development, and securing enough tax collection through proper tax assessment is essential. It is also important to provide monitoring report of tax collection to councilors and let councilors be cooperative and supportive to tax collections, so that they are more active in reducing tax assessment results.

Paurashava Taxation and Collection System Rules, 2013

Rule 21. Application for consideration of tax evaluation and tax assessment list.



(1) If any person dissatisfied about tax evaluation and tax assessment, s/he can apply to the mayor for re-assessment or exemption through form- G:

But condition applies that, such application will not be accepted after 30 (thirty) days of publishing the tax assessment list following Rule 20(2) or issuing notice following Rules 21(3).

(2) After receiving the application following Rules 21(1) Mayor will refer the application to the tax assessment and collection committee to resolve it..

(3) Tax assessment and collection committee will issue a notice to the applicant informing the date, time and place of hearing of the application, and will conclude the hearing within 4 months from the date of first hearing.

4) Tax assessment and collection committee poses the right to make correction, revise or withdraw the tax evaluation and tax assessment list after getting proper witness and investigation in presence of the applicant or his/her representative.

Condition applies that, if the applicant or his/her representative is not available at the time of hearing, the tax assessment and collection committee can take decision by themselves.

(5) ...

7) Finalize the re-assessment results

After the assessment and collection committee revise or withdraw the tax collection list based on proper witness and investigation (**Rule 21(4)**), the decision by the committee will be regarded as final (**Rule 21 (5)**).

Paurashava Taxation and Collection System Rules, 2013

Rule 21. Application for consideration of tax evaluation and tax assessment list.



(1) Tax assessment and collection committee poses the right to make correction, revise or withdraw the tax evaluation and tax assessment list after getting proper witness and investigation in presence of the applicant or his/her representative.

Condition applies that, if the applicant or his/her representative is not available at the

time of hearing, the tax assessment and collection committee can take decision by themselves.

Decision under sub-section (4) will be considered as final tax evaluation and tax assessment list and will be valid until new list is prepared.

8) Insert the final tax assessment results to a ward-wise tax assessment list

The final assessment result, after the discussions and finalization in the tax collection and assessment committee (**Rule 21 (5)**), are reflected in the assessment register.

When reflecting the revisions into the tax assessment list, the regions or zones are indicated by red ink, and then signed by the mayor.

3.2. Process of interim assessment

This section is going to explain the process of Interim assessment, which is conducted every year when it is necessary.

Interim assessment is conducted especially when a building is newly constructed (**Rule 22 (1) of Paurashava Taxation and Collection System Rules, 2013**) and also when a building is extended (**Rule 23**).

When a building is newly constructed, this is meet one of the conditions of the modification "(a) If name of any person or any assets is ought to be enlisted in the tax assessment list" **Rule 22(1)(a)**. When such conditions are identified, Paurashava will issue an one month notice to the concerned person(**Rule 22(2)**).

If a house is expanded, this will meet with a condition of "the rent or part of it has been improved" in **Rule 23**. Then the paurahsava can increase the tax amount, after having hearing with the owner.

Paurashava Taxation and Collection System Rules, 2013

Rule 22. Modification of tax assessment list

(1) Paurashava can modify the tax assessment list for bellow mentioned causes.



(a) If name of any person or any assets is ought to be enlisted in the tax assessment list;

(b) If there is a necessity to replace name of any person in place of the owner of the building, who became owner through purchase or any other way;

Evaluation or assessment of any building is prepared in a defective process;

(c) For reducing the assessment of any building considering application of the owner to reduce assessment because of decrease of evaluation for damage of the whole or part of the building;

(d) For correction of any clerical fault.

(2) Paurashava will issue a notice for **1 (one) month** to the concern person if any modification is needed under sub-section (1).

(3) Concern person can raise objection against proposed modification after receiving the notice, and to resolve such type of objection, statements of article 21 including necessary modification will be applicable.

Rule 23. Increasing tax of any building

If it is proven to the Paurashava that, after finalizing tax assessment list, the rent or part of it has been improved in such a way that, according to the consideration of Paurashava reassessment of tax for that building is reasonable, in that case, whatever may be in other articles of this rules, tax can be increased providing opportunity of hearing to the owner.



The process of the interim assessment is basically same as the processes of re-assessment. The major difference is that the interim assessment is conducted only when newly constructed or expanded buildings (or other buildings) are identified. Another difference is that the interim assessment does not require any proposals to the government and the approval by the government.

3.2.1. Individual process of interim assessment

1) Information collection on new buildings and extended building

Tax assessors collect information on new buildings from engineers who receive application on building permits. When the application is submitted, the buildings are not completed. Then tax assessors visit the buildings several months after the submission of the building permits.

Tax collectors are another source of information. Because they visit citizens when collecting holding tax, they identify new or extended buildings. It is necessary for tax assessors to have a good coordination with tax collectors in order to collect information on new and extended buildings.

2) Distributes forms to collect information of holdings to the citizens

The Paurashava then issue a letter or notice to owners to provide information on holdings, such as the amount of rent or the construction values of holdings, as specified in **Rule 18 (3) of Paurashava Taxation and Collection System Rules, 2013.**

The format of the letter or announcement to request owners to provide information on rent or annual value of building and land is **Form C “Notice to submit the actual accounts of rent or annual value of building or land” of Paurashava Taxation and Collection System Rules, 2013.**

This will be attached with **Form D “Statement of rent or annual value of building or land”** of the same rule, which will be then filled and submitted by owners.

3) Collect information on holding from citizens

Form D “Statement of rent or annual value of building or land” will be filled up within

7(seven) days after receiving the notice mentioned as specified in **Rule 18(4) of Paruashava Taxation and Collection System Rules, 2013.**

4) Insert the information of each holding to a ward-wise tax assessment list

The information provided by the owners, especially the “description of building” of Form D, are filled in “Tax assessment list” given in **Form F of Paurashava Taxation and Collection System Rules, 2013.** The tax assessment list is prepared for each ward, covering all the owners of holding in the ward.

Valuations of each holding will be calculated and filled in the list.

5) Review the assessment results

When assessment results are input in Tax assessment List, the Mayor will sign on every page, and then the list is made public, as specified in **Rule 20 (1) and (2) of Paurashava Taxation and Collection Rules, 2013.**

As in **Rule 20(3)**, the Paurashava will issue notice to owners to inform the assessment result, using Form F. The notice is sent to those whose holding tax was assessed for the first time or whose holding tax was increased.

Form F, which is used for the announcement of assessment result is as follows. The information necessary to fill Form F is included in Tax Assessment List.

After the tax assessment result was sent to owners, if the owners are not satisfied about tax evaluation and tax assessment, they can apply for a re-assessment or exemption, as specified in **Rule 21 (1) of Paurashava Taxation and Collection Rules, 2013.** In this case the owners need to submit such request using Form G, within 30 days after the assessment results were noticed.

When the applications to re-assessments are received by paurashavas, the tax assessment and collection committee will be then held (Rule 21(2)) and then organize a hearing with the owner. The hearing will be concluded within 4 months from the date of first hearing.

As **Rule 21 (4)** specifies, only “after getting proper witness and investigation”, the tax

assessment register is revised. Therefore, reductions in tax assessments should not be made without specific evidences (such as smaller rental fees, or smaller construction costs).

6) Finalize the re-assessment results

After the assessment and collection committee revise or withdraw the tax collection list based on proper witness and investigation (**Rule 21(4)**), the decision by the committee will be regarded as final (**Rule 21 (5)**).

7) Insert the final tax assessment results to a ward-wise tax assessment list

The final assessment result, after the discussions and finalization in the tax assessment and collection (**Rule 21 (5)**), are reflected in the assessment register.

4. Examination of the assessment results (Proposed)

4.1. How many percent valuations of holdings should increase by a re-assessment?

When re-assessments are completed, valuations of holdings sharply increase in many cases. This is because the valuation of a holding is determined mainly by its annual rental revenue, and also because rental revenues increases every year according to the increase in price levels or inflation.

Then, how many percent valuations of holdings increase in five years (from a previous re-assessment to the latest re-assessment)?

Suppose the valuation of a valuation increases every year according to the 7% annual inflation rate, the valuation would increase by about 40% (from TK.10,000 to TK.14,026) in five years.

Year	Year 0 (previous assess- ment)	Year 1	Year 2	Year 3	Year 4	Year 5 (Current assess- ment)
Valuation of a building	10,000	10,700	11,449	12,250	13,108	14,026
Annual increase due to inflation		7.0%	7.0%	7.0%	7.0%	7.0%

In other words, if a paurashava does not increase the valuation of a holding more than inflation of five years (40%), it means that the paurashava gives discount to the owner of the holding. Suppose the rental revenue of a holding increases by 40% but the holding tax increases only by 20%, then the actual tax expenses that the owner pays will decrease.

4.2. Examination of the average tax demand of holdings

As mentioned above, the valuation of a holding should increase more than the inflation of five years.

Suppose the valuations of all holdings increase by 40%, the average tax demand amount (tax demand amount per holding) also increases by 40%. Then, it is highly

recommended that paurashavas examines the increase in the average tax, especially before and after the re-assessment.

If a paurashava does not increase the tax demands more than the inflation rate, the paurashava would face decrease in available funds or deficits.

Suppose the price level increase by 7% every year, the expenditure of the paurashava increases by 7% per year¹. If the revenue expenditure is TK 100 Lak, and The expenditure is going to increase from TK 100 Lak in Year 0 to TK 107 Lak in Year 1 and reach TK 140.3 Lak in Year 5.

However, if the average tax demand increases only by 10%, the income of the paurashava increase from TK 120.0 to TK 132.0 in Year 5. In this case, the income in Year 5 (TK132.0) is not enough to cover the expenditure (TK 140.3).

Revenue budget	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Income	120.0	120.0	120.0	120.0	120.0	132.0
(Increase by re-assessment)	-	-	-	-	-	(10%)
Expenditure	100.0	107.0	114.5	122.5	131.1	140.3
(Annual increase)	-	(7%)	(7%)	(7%)	(7%)	(7%)
Surplus (+) / Deficit (-)	20.0	13.0	5.5	-2.5	-11.1	-8.3

Therefore, paurashavas need to examine that the average tax demand increase more than the inflation rate of five years (40% if the annual inflation rate is 7%).

Average tax demand amount is calculated as;

$$[\text{Average tax demand} = [\text{Total tax demand}] / [\text{Number of holding}]]$$

It is also recommended to examine the changes in average tax demand, using the following table.

¹ Salary levels increase as per the decision of the government. Then, they do not increase every year but increase periodically.

		Number of Holdings	Total Tax Demand	Average Tax Demand	Changes from previous re- assessment
20X9-X0	Previous re-assessment	120	144,000	1,200	-
20X0-X1	Interim assessment	122	150,792	1,236	3.0%
20X1-X2	Interim assessment	124	157,862	1,273	6.1%
20X2-X3	Interim assessment	126	165,220	1,311	9.3%
20X3-X4	Interim assessment	126	170,177	1,351	12.6%
20X4-X5	Proposed in re-assessment	130	221,520	1,704	42.0%
	Final	130	219,960	1,692	41.0%

The monitoring and examination should be the major responsibilities of a taxation and collection standing committee, one of whose function is “find out new tax sources for increasing revenue collection”. The standing committee, including the Mayor and Councilor, should take strong actions to increase tax revenue through tax assessment.

5. Method of Tax Assessment

5.1. Summary of tax assessment methods

This section explains the tax assessment methods, which is explained in **Rule 18(2)** of **Paurashava Taxation and Collection System Rules, 2013**.

Paurashava Taxation and Collection System Rules, 2013

Rule 18. List of tax evaluation



(1)...

(2) **Evaluation list should be prepared according to below mentioned procedures, such as:-**

(a) In case of fully rented building-

1. Should have to reduce the rent of two month from yearly rent as maintenance cost of the building;
2. In case of non-commercial purpose, if the building is mortgaged to Government, House building finance corporations, Bank or Financial institute for fund collection to rebuild or to purchase, the annual interest on mortgage should be reduced.
3. In case of commercial buildings such as hotel, motel, private diagnostic center, apartment, hospital, office, etc. which has been mortgaged to house building finance corporations, bank or any financial institute for loan, 1/4 of the annual interest should be reduced.
4. If the monthly rent of any building is found abnormally more or less, the rent contract of similar building in that area should be considered.

(b) In case of fully retained building:

The feasible annual rent of similar type or building with similar facilities, or 7.5% of the value of the building including land development tax of land used in that building, less one in between two, should be considered as the annual value, and part as bellows should be reduced from that, such as:

1. For maintenance rent of two months or one sixth of annual value, which one is applicable?
2. One fourth of annual value after reducing the amount mentioned in point 1;
3. In case of non-commercial purpose, if the building is mortgaged to Government, House building finance corporations, Bank or Financial institute for fund collection to rebuild or to purchase, the annual interest on mortgage should be reduced;
4. In case of commercial buildings such as hotel, motel, private diagnostic center, apartment, hospital, office, etc. which has been mortgaged to house building finance corporations, bank or any financial institute for loan, 1/4th of the annual interest should be exempted;

(c) In case of building partially rented and partially retained, annual value of rented part will be according to point (a), and retained part will be according to point (b).

(3)...

(4)...

(5)...

As indicated in Rule 18 (b), the valuation method applied to a building depends on whether the owner rent the building it or use it by himself / herself. Rule 18 (b) explains

the valuation methods of the following three cases.

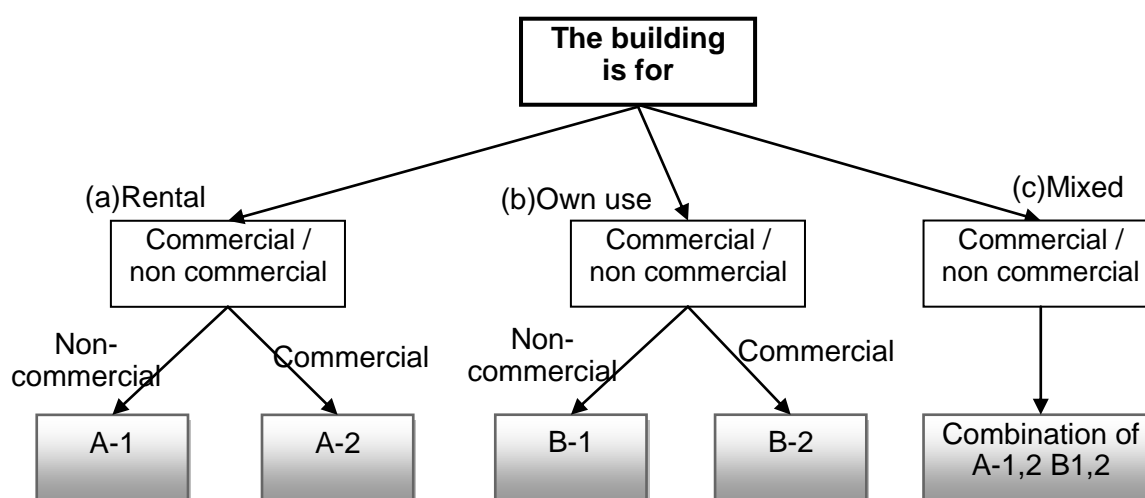
- (a) in case of fully rented building,
- (b) in case of fully retained building,
- (c) in case of building partially rented and partially retained.

Based on this, annual value of the building is determined either by annual rental revenue or 7.5% of construction cost.

The valuation of a building is then determined by making deduction to the annual values. The deduction amounts are determined based on the purposes of usages of buildings, such as non-commercial purposes or commercial purposes. The deductions are;

- Deduction in maintenance expenses
- Ownership exemption, and
- Deduction in Interest expenses.

The valuation method of a building is determined following the flow chart below;



There are basically four valuation methods, based on the types of usage (rental or self-use) and purposes of usage (non-commercial and commercial).

Four valuation methods are summarized in the following table.

	A-1		A-2		B-1		B-2		C	
	Rental		Rental		Own –use		Own-use		Mixed	
	Non-commercial		Commercial		Non-commercial		Commercial			
Annual value		Rental revenue (12 months) Rule 18(2)(a)1		Rental revenue (12 months) Rule 18(2)(a)1		Smaller of (i) rental revenue(12 month) of similar building or (ii) 7.5% of construction cost and land development tax Rule 18(2)(b)		Smaller of (i) rental revenue(12 month) of similar building or (ii) 7.5% of construction cost and land development tax Rule 18(2)(b)		Mixture of A-1, A-2, B-1, and B-2
Deduction										
	Maintenance	Maintenance expenses (2 months of rental revenue) Rule 18(2)(a)1		Maintenance expenses (2 months of rental revenue) Rule 18(2)(a)1		Maintenance expenses (1/6 of annual value) Rule 18(2)(b)1		Maintenance expenses (1/6 of annual value) Rule 18(2)(b)1		
	Ownership exemption	-		-		[Annual value] – [Maintenance expenses] x 1/4 Rule 18(2)(b)2		[Annual value] – [Maintenance expenses] x 1/4 Rule 18(2)(b)2		
	Bank loan interest	Annual interest expenses total Rule 18(2)(a)2		Annual interest expenses x 1/4 Rule 18(2)(a)3		Annual interest expenses total Rule 18(2)(b)3		Annual interest expenses x 1/4 Rule 18(2)(b)4		

5.2. Details of tax assessment methods

As mentioned above, there are mainly four tax assessment methods. The types of the tax assessment methods applied to buildings are determined (i) whether the owner rent it or use it by himself /herself and (ii) how the building is used.

This section explains the details of the four tax assessment methods.

(a) In case of fully rented building

In case a building is used for rental (the owner rent the building to a tenant), the

valuation of the building is determined based on rental revenue of 12 month.

In this case, the valuation method applied will be either A-1 or A-2 mentioned above.

A-1 method is applied when a holding is rented, and used for non-commercial (residential) purposes.

A-2 method is applied when a holding is rented, and used for commercial purposes.

The relevant rules to this are as follows;

Paurashava Taxation and Collection System Rules, 2013

Rule 18. List of tax evaluation

(1) ...

(2) Evaluation list should be prepared according to below mentioned procedures, such as:-

(a) In case of fully rented building-

1. Should have to reduce the rent of two month from yearly rent as maintenance cost of the building;

2. In case of non-commercial purpose, if the building is mortgaged to Government, House building finance corporations, Bank or Financial institute for fund collection to rebuild or to purchase, the annual interest on mortgage should be reduced.

3. In case of commercial buildings such as hotel, motel, private diagnostic center, apartment, hospital, office, etc. which has been mortgaged to house building finance corporations, bank or any financial institute for loan, 1/4 of the annual interest of loan should be reduced.

4. If the monthly rent of any building is found abnormally more or less, the rent contract of similar building in that area should be considered.

(b) ...

(c) ...



Annual value

The annual value is the rental revenue of 12 month, which the owner submitted in the “**description of building**” of **Form D**. As in **Rule 18(2) (a) 4**, if the monthly rent is abnormally low, then rent of similar building in the same area will be considered.

Deduction: Maintenance expenses

Two month rental revenue is deducted from the base amount as maintenance expenses, as **Rule 18(2) (a) 1**.

Deduction: Bank interest expenses (non-commercial, A-1)

If the building is used for non-commercial purposes (residential purpose), and if the building is mortgaged to the government or financial institutions, then the annual

interest expenses are going to be deducted from the base amount, as in **Rule 18 (2) (a) 2**. Please note that the building is regarded as “commercial”, if it is used for apartments.

Deduction: Bank interest expenses (commercial, A-2)

If the building is used for commercial purposes (such as hotel, hospital, apartment) and if the building is mortgaged to financial institutions, then the one fourth of annual interest expenses are going to be deducted from the base amount, as in **Rule 18 (2) (a) 3**.

Examples of calculations of **A-1 (Rental, non-commercial)** and **A-2 (rental, commercial)** are explained as follows;

A-1: Calculation of the tax demand amount of a fully rented (non-commercial) building

Now, a paurashava is going to re-assess the building owned by Mr. Abdul Karim, which he fully rent to a tenant. The tenant uses the building for residential purpose (non-commercial purpose).

Because this is a building fully rented and used for non-commercial purpose, the paurashava uses **A-1 format** for the re-assessment.

The information which a paurashava collected upon re-assessment is as follows;

- Rent: TK. 10,000 per month
- Amount of interest that the owner pays to banks: TK. 16,000 per year
- The monthly rent is not too big or too small compared to similar buildings in the area
- The building is located in the central part of the paurashava and lighting rate, conservancy rate, and water rate are applied.

Then, using A-1 Format, tax demand amount is calculated as in the following sheet.

A-1: Calculation of the tax demand amount of fully rented (non-commercial) building**Step 1: Valuation of a building**

1 Actual rent or potential rent of 12 month						
Annual rent		TK 10,000	x	12	=	TK. 120,000
		/ month				/ year
2 Deductions:						
	(i)Maintenance cost- Rent of 2 month					
	Monthly rent	TK 10,000	x	2	=	TK. 20,000
		/ month				
	(ii) Annual interest of bank loan					TK. 16,000
	Total deduction (i) + (ii)					TK. 36,000
3 Annual valuation of the building (1-2)						TK. 84,000

Step 2: Calculation of Annual Tax Demand

	% (Up to)	Amount-TK. Valuation x %
Holding Tax	7%	TK. 5,880
Lighting Rate	3%	TK. 2,520
Conservancy Rate	7%	TK. 5,880
Water Rate	10%	TK. 8,400
Total Annual Tax demand	27%	TK. 22,680

Step3: Calculation of Quarterly Tax Demand

Particulars	Quarterly demand				Total
	Quarter-1	Quarter-2	Quarter-3	Quarter-4	
Holding Tax	1,470	1,470	1,470	1,470	5,880
Lighting Rate	630	630	630	630	2,520
Conservancy Rate	1,470	1,470	1,470	1,470	5,880
Water Rate	2,100	2,100	2,100	2,100	8,400
Total	5,670	5,670	5,670	5,670	22,680

<Step 1: Valuation of a building >

In A-1 (rental, non-commercial), the valuation of a building is determined as

[Annual rent] – [Maintenance expenses] – [Annual interest expenses of bank loan]

In this example, the monthly rent is TK. 10,000, and [Annual rent] is TK.120,000. [Maintenance cost], which is calculated as 2 month rent (TK.20,000) is then deducted from this.

As in **Rule 18(2)(a)2**, if the building is mortgaged to the government or financial institutions, the annual bank loan interest expenses (TK. 16,000) is also deducted.

[Annual rent]	TK.120,000
- [Maintenance cost]	TK.20,000
- [Annual bank loan interest expenses]	TK.16,000
= [Valuation of the building]	TK.84,000

<Step 2: Calculation of Annual Tax Demand>

In this paurashava, holding tax rate is 7%, lighting rate is 3%, conservancy rate is 7%, and water rate is 10%. In total the tax rate imposed on this holding is 27%.

The total annual tax demand amount which is calculated as [Valuation of the building] x [Tax rate]. Thus the tax demand of this building is TK. 22,680 (TK. 84,000 x 27%).

< Step3: Calculation of Quarterly Tax Demand >

The owner of the building is supposed to pay the holding tax in four installments. Then, quarterly tax demand amount, which is calculated simply dividing the annual tax demand amount (TK. 22,680) by 4, is TK. 5,670.

A-2: Calculation of the tax demand amount of fully rented (commercial) building

A paurashava is then going to re-assess the building, which the owner fully rent to a tenant. The tenant uses the building for commercial purpose.

Because this is a building fully rented and used for commercial purpose, the paurashava uses **A-2 format** for the re-assessment.

The information which a paurashava collected upon re-assessment is as follows;

- Rent: TK. 10,000 per month
- Amount of interest that the owner pays to banks: TK. 16,000 per year
- The monthly rent is not too big or too small compared to similar buildings in the area
- The building is located in the central part of the paurashava and lighting rate, conservancy rate, and water rate are applied.

Then, using A-2 Format, tax demand amount is calculated as in the following sheet.

A-2: Calculation of the tax demand amount of fully rented (commercial) building**Step 1: Valuation of a building**

1 Actual rent of 12 months or potential rent					
Annual rent	TK 10,000	x	12	=	TK. 120,000
	/month				/ year
2 Deductions:					
(i) Maintenance cost- Rent of 2 month					
Monthly rent	TK 10,000	x	2	=	TK. 20,000
	/month				
(ii) Annual interest of bank loan x 1/4	TK 16,000	x	1/4	=	TK. 4,000
Total deduction (i) + (ii)					TK. 24,000
3 Annual valuation of the building (1-2)					TK. 96,000

Step 2: Calculation of Annual Tax Demand

	% (Up to)	Amount-Tk. Valuation x %
Holding Tax	7%	TK. 6,720
Lighting Rate	3%	TK. 2,880
Conservancy Rate	7%	TK. 6,720
Water Rate	10%	TK. 9,600
Total Annual Tax demand	27%	TK. 25,920

Step 3: Calculation of Quarterly Tax Demand

Particulars	Quarterly demand				Total
	Quarter-1	Quarter-2	Quarter-3	Quarter-4	
Holding Tax	1,680	1,680	1,680	1,680	6,720
Lighting Rate	720	720	720	720	2,880
Conservancy Rate	1,680	1,680	1,680	1,680	6,720
Water Rate	2,400	2,400	2,400	2,400	9,600
Total	6,480	6,480	6,480	6,480	25,920

<Step 1: Valuation of a building >

In A-2 (rental, commercial), the valuation is determined as;

[Annual rent] – [Maintenance expenses] – [Annual interest expenses of bank loan]x 1/4

The difference between A-1 and A-2 is that only 1/4 of annual interest expenses is deducted from the valuation, as in **Rule 18(2) (a) 3**. The amount of deduction is smaller because this is used for commercial purpose.

In this example, the monthly rent is TK 10,000, and [Rental revenue (12 months)] is TK.120,000. [Maintenance cost], which is calculated as 2 month rent (TK.20,000) and 1/4 of annual bank loan interest expense (TK. 16,000 x 1/4=TK.4,000) are deducted from this.

Then, the valuation is calculated as follows;

[Annual rent]	TK.120,000
- [Maintenance cost]	TK.20,000
- [Annual bank loan interest expenses]	TK. 4,000
= [Valuation of the building]	TK.96,000

<Step 2: Calculation of Annual Tax Demand>

The total annual tax demand amount which is calculated as [Valuation of the building] x [Tax rate]. As the holding tax rate imposed on this holding is 27%, the tax demand of this building is TK. 25,920 (TK. 96,000 x 27%).

<Step 3: Calculation of Quarterly Tax Demand >

The quarterly tax demand amount is calculated in this table. The quarterly demand amount, which is calculated simply dividing the annual tax demand amount (TK.25,920) by 4 is TK. 6,480.

(b) In case of fully retained building

In case a building is retained or used by the owner himself / herself, the valuation of the building is determined either by 7.5% of construction value with development cost of building land or 12 month rental revenue of similar facilities.

In this case, the valuation method applied will be either B-1 or B-2 mentioned above.

B-1 method is applied when a holding is retained, and used for non-commercial (residential) purposes.

B-2 method is applied when a holding is retained, and used for commercial purposes.

The relevant rules to this are as follows;

Paurashava Taxation and Collection System Rules, 2013

Rule 18. List of tax evaluation

(2) Evaluation list should be prepared according to below mentioned procedures, such as:-



(a) ...

(b) In case of fully retained building:

The feasible annual rent of similar type or building with similar facilities, or 7.5% of the value of the building including land development tax of land used in that building, smaller one in between two, should be considered as the annual value, and part as bellows should be reduced from that, such as:

1. For maintenance rent of two month or one sixth of annual value, any one is applicable?
2. One fourth of annual value after reducing the amount mentioned in point 1;
3. In case of non-commercial purpose, if the building is mortgaged to Government, House building finance corporations, Bank or Financial institute for fund collection to rebuild or to purchase, the annual interest on mortgage should be exempted;
4. In case of commercial buildings such as hotel, motel, private diagnostic center, apartment, hospital, office, etc. which has been mortgaged to house building finance corporations, bank or any financial institute for loan, 1/4 of the annual interest of bank loan should be exempted;

(c) ...

Annual value

The annual value in this case is the smaller between 7.5% of construction value of building with land development tax and 12 month rental revenue of similar facilities. These necessary information will be given by the owner through the “**description of building**” of Form D.

Deduction: Maintenance expenses

Then 1/6 of the annual value of the building, or the 2 month rental revenue is deducted from the annual value, as **Rule 18(2) (b) 1.**

Deduction: Ownership exemption

In this case, as the holding is used by the owner, 1/4 of the annual value (after the deduction of maintenance expenses) is also deducted from annual value, as **Rule 18 (2) (b) 2.** The tax demand is smaller in case of owners use the buildings by themselves than in case the buildings are used for rental purpose.

Deduction: Annual Bank interest expenses (non-commercial)

If the building is used for non-commercial purposes (residential purpose), and if the building is mortgaged to the government or financial institutions, then the annual interest expenses on bank loan are going to be deducted from the annual value, as in **Rule 18 (2) (b) 3**. Please note that the building is regarded as “commercial”, if it is used for apartments.

Deduction: Bank interest expenses (commercial)

If the building is used for commercial purposes (such as hotel, hospital, apartment) and if the building is mortgaged to financial institutions, then the one fourth of annual interest expenses of bank loan are going to be deducted from the base amount, as in **Rule 18 (2)(b) 4**.

Examples of calculations of B-1 (Retail, non-commercial) and B-2 (Retail, commercial) are explained as follows;

B-1: Calculation of the tax demand amount of building for own use (non-commercial)

Now, a paurashava is going to re-assess the building owned by Mr. Abdul Karim, which he use by himself for residential purpose (non-commercial purpose).

Because this is a building fully used by the owner for non-commercial purpose, the paurashava uses **B-1 format** for the re-assessment.

The information which a paurashava collected from Mr. Abdul Karim upon re-assessment is as follows;

- Size of the building: 1200 sft (40 feet x 30 feet x 1 floor)
- Construction cost: TK. 550 per sft
- Land Development cost : TK 0.23 per sft
- Monthly rent of similar building in the same area: TK. 5,000
- Annul bank loan interest expenses: TK. 5,000 per year
- The building is located in the central part of the paurashava and lighting rate, conservancy rate, and water rate are applied.

Then, using B-1 Format, tax demand amount is calculated as in the following sheet.

B-1: Calculation of the tax demand amount of building for own use (non-commercial)**Step 1: Valuation of a building****Calculation of annual value based on construction cost**

	Length		Width		No. of Floor		Total Area
1 Size of the building	40 ft	x	30 ft	x	1 floor	=	1,200 Sft
2 Construction cost of the building:			1,200 sft	x	550 TK/ sft	=	TK. 660,000
3 Land development cost			1,200 TK	x	0.23 TK/ sft	=	TK. 276
4 Building construction cost and land development cost (2+3)							TK. 660,276
5 7.5% of Building construction and land development cost (4)			660,276	x	7.50%	=	TK. 49,520

Calculation of annual value based on approximate rental revenue

6 Approximate annual rent of the building	5000 /month	x	12 months	=	TK. 60,000
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Calculation of annual value

7 Lower amount of (5) construction cost basis valuation or (6) approximate annual rent	TK. 49,520
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8 1st Deduction

(i) Maintenance cost 1/6 of (7)	49,520 TK. / year	x	1/6	=	TK. 8,253
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9 Valuation after deduction of maintenance cost (7-8)	TK. 41,267
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10 2nd Deduction

(ii) Ownership exemption (1/4th amount of (9))	41,267	x	1/4	=	TK. 10,317
(iii) Annual bank loan interest expenses					TK. 5,000
Total 2nd deduction (ii+iii)					TK. 15,317

11 Annual valuation of the building on construction cost basis (9-10)	TK. 25,950
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Step 2: Calculation of Annual Tax Demand

Particulars	%(Up to)	Amount-Tk.
Holding Tax	7%	TK. 1,817
Lighting Rate	3%	TK. 779
Conservancy Rate	7%	TK. 1,817
Water Rate	10%	TK. 2,595
Total Annual Tax demand	27%	TK. 7,007

Step3: Calculation of Quarterly Tax Demand

Particulars	Quarterly demand				Total
	Quarter-1	Quarter-2	Quarter-3	Quarter-4	
Holding Tax	454	454	454	454	1,817
Lighting Rate	195	195	195	195	779
Conservancy Rate	454	454	454	454	1,817
Water Rate	649	649	649	649	2,595
Total	1,752	1,752	1,752	1,752	7,007

<Step 1: Valuation of a building >

In B-1 (self-use, non-commercial), the valuation is determined as

[Annual value] – [Maintenance cost] – [Ownership exemption]- [Annual bank loan interest expenses]

[Annual value] in this case is the smaller of 7.5% of the construction with land development tax or 12 month rental revenue of similar facilities.

In the calculation sheet, both “**Calculation of annual value based on construction cost**” and the “**Calculation of annual value based on approximate rental revenue**” are indicated.

Calculation of annual value based on construction cost is carried out from

- Size of the building
- Unit cost of building construction
- Unit cost of land development tax

Unit cost of construction and land development

Calculation of annual value based on construction cost

	Length		Width		No. of Floor		Total Area
1 Size of the building	40 ft	x	30 ft	x	1 floor	=	1,200 Sft
2 Construction cost of the building:			1,200 sft	x	550 TK/ sft	=	TK. 660,000
3 Land development cost			1,200 TK	x	0.23 TK/ sft	=	TK. 276
4 Building construction cost and land development cost (2+3)							TK. 660,276
5 7.5% of Building construction and land development cost (4)			660,276	x	7.50%	=	TK. 49,520

The size of the building and the value are filled in “Description of buildings” attached to Form D. However, the construction cost should be also compared to those of similar facilities.

In this example, adding the construction cost of the building (TK. 660,000) to the land development tax (TK. 276), the total construction cost (TK. 660,276) is obtained.

The valuation of this building based on the construction cost is then TK.49,520, which is calculated as 7.5% x [total construction cost] (TK. 660,276).

Then, the annual value is also calculated by the annual rent of similar facilities.

Calculation of annual value based on approximate rental revenue

6	Approximate annual rent of the building	5000 /month	x	12 months	=	TK. 60,000
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In this example, the monthly rent of the similar facility is TK. 5,000, and thus [Approximate Rent of the building (12 months)] is TK.60,000.

Annual value

7	Lower amount of (5) construction cost basis valuation or (6) approximate annual rent	TK. 49,520
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Annual value to be used for tax demand is then determined by comparing both annual values. In this case, the value based on the construction cost (TK.49,520) which is smaller than the one by approximate rental revenue (TK 60,000), is going to be used as the annual value.

1st deduction

The annual value is then deducted by [Maintenance cost], which is calculated as 1/6 of the annual value (TK.8,253).

8	1st Deduction	
	(i) Maintenance cost 1/6 of (7)	49,520 x 1/6 = TK. 8,253 TK. / year
9	Valuation after deduction of maintenance cost (7-8)	TK. 41,267

Valuation after deduction of maintenance cost is TK. 41,267 ([Annual value] TK. 49,520 – [Maintenance expense] TK. 8,253).

2nd deduction

The annual value is also deducted by [Ownership exemption] and [Annual loan interest expenses].

10 2nd Deduction				
(ii) Ownership exemption (1/4th amount of (9))	41,267	x	1/4	= TK. 10,317
(iii) Annual bank loan interest expenses				TK. 5,000
Total 2nd deduction (ii+iii)				TK. 15,317
11 Annual valuation of the building on construction cost basis (9-10)				TK. 25,950

The amount of **[Ownership exemption]** is 1/4 of the annual value after the deduction of maintenance expenses. This is calculated as ([Annual value] (TK.49,520) – [Maintenance cost] (TK.8,253))x 1/4 = Tk 10,317.

As in **Rule 18(2) (b) 3**, if the tax payer takes loan from any financial institutions for purchase or construct the building, the **[Annual bank loan interest expense]** (TK. 5,000) of the said loan will be deducted from the annual value.

Then, the valuation of the building is calculated as follows;

[Annual value]	TK.49,520
- [Maintenance cost]	TK. 8,253
- [Ownership exemption]	TK.10,317
- [Annual bank loan interest expenses]	TK. 5,000
= [Valuation of the building]	TK.25,950

<Step 2: Calculation of Annual Tax Demand>

The total annual tax demand amount which is calculated as [Valuation of the building] x [Tax rate]. As the holding tax rate imposed on this holding is 27%, the tax demand of this building is TK. 7,007 (TK. 25,950 x 27%).

< Step3: Calculation of Quarterly Tax Demand >

The owner of the building is supposed to pay the holding tax in four installments. Then, quarterly tax demand amount, which is calculated simply dividing the annual tax demand amount (TK. 7,007) by 4, is TK. 1,752.

B-2: Calculation of the tax demand amount of building for own use (commercial)

A paurashava is then re-assess the building, which the owner himself / herself use for commercial purpose).

Because this is a building fully used by the owner for commercial purpose, the paurashava uses **B-2 format** for the re-assessment.

The information which a paurashava collected from the owner upon re-assessment is as follows;

- | |
|--|
| <ul style="list-style-type: none">- Size of the building: 1200 sft (40 feet x 30 feet x 1 floor)- Construction cost: TK. 550 per sft- Land Development cost : TK 0.23 per sft- Monthly rent of similar building in the same area: TK. 5,000- Annual bank loan interest expenses: TK. 5,000 per year- The building is located in the central part of the paurashava and lighting rate, conservancy rate, and water rate are applied. |
|--|

Then, using B-2 Format, tax demand amount is calculated as in the following sheet.

B-2: Calculation of the tax demand amount of building for own use (commercial)**Step 1: Valuation of a building****Calculation of annual value based on construction cost**

	Length		Width		No. of Floor		Total Area
1 Size of the building	40 ft	x	30 ft	x	1 floor	=	1,200 Sft
2 Construction cost of the building:			1,200 sft	x	550 TK/ sft	=	TK. 660,000
3 Land development cost			1,200 TK	x	0.23 TK/ sft	=	TK. 276
4 Building construction cost and land development cost (2+3)							TK. 660,276
5 7.5% of Building construction and land development cost (4)			660,276	x	7.50%	=	TK. 49,520

Calculation of annual value based on approximate rental revenue

6 Approximate annual rent of the	5000 /month	x	12 months	=	TK. 60,000
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Annual value

7 Lower amount of (5) construction cost basis valuation or (6) approximate annual rent	TK. 49,520
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8 1st Deduction	
(i) Maintenance cost 1/6 of (7)	49,520 x 1/6 = TK. 8,253 TK / year
9 Valuation after deduction of maintenance cost (7-8)	TK. 41,267
10 2nd Deduction	
(ii) Ownership exemption (1/4th amount of (9))	41,267 x 1/4 = TK. 10,317
(iii) Annual bank loan interest expenses	5,000 x 1/4 = TK. 1,250 TK / year
Total 2nd deduction (ii+iii)	TK. 11,567
11 Annual valuation of the building on construction cost basis (9-10)	TK. 29,700

Step 2: Calculation of Annual Tax Demand

Particulars	%(Up to)	Amount-TK.
Holding Tax	7%	TK. 2,079
Lighting Rate	3%	TK. 891
Conservancy Rate	7%	TK. 2,079
Water Rate	10%	TK. 2,970
Total Annual Tax demand	27%	TK. 8,019

Step3: Calculation of Quarterly Tax Demand

Particulars	Quarterly demand				Total
	Quarter-1	Quarter-2	Quarter-3	Quarter-4	
Holding Tax	520	520	520	520	2,079
Lighting Rate	223	223	223	223	891
Conservancy Rate	520	520	520	520	2,079
Water Rate	742	742	742	742	2,970
Total	2,005	2,005	2,005	2,005	8,019

<Step 1: Valuation of a building >

In B-2 (self-use, commercial), the valuation is determined as

$$[\text{Annual value}] - [\text{Maintenance cost}] - [\text{Ownership exemption}] - [\text{Annual bank loan interest expenses}] \times 1/4$$

The difference between B-1 and B-2 is that only 1/4 of annual interest expenses of bank loan is deducted from the annual value, as in **Rule 18(2) (b) 4**. The amount of deduction is smaller because this is used for commercial purpose.

1st Deduction

In this example, the annual value is TK.49,520, and the **[Maintenance cost]**, which is calculated as 1/6 of annual value is TK.8,253, will be deducted from this.

Valuation after deduction of maintenance expense is TK. 41,267 ([Annual value] TK. 49,520 – [Maintenance expense] TK. 8,253).

2nd Deduction

The annual value is also deducted by [Ownership exemption] and [Annual loan interest expenses].

The amount of **[Ownership exemption]** is 1/4 of the annual value after the deduction of maintenance expenses. This is calculated as ([Annual value] (TK.49,520) – [Maintenance cost] (TK.8,253)) \times 1/4 = Tk 10,317.

As in **Rule 18(2) (b) 4**, if the tax payer takes loan from any financial institutions for purchase or construct the building, **1/4 of [Annual bank loan interest expense]** (TK. 1,250) of the said loan will be deducted from the annual value.

Then, the valuation of the building is calculated as follows;

[Annual value]	TK.49,520
- [Maintenance cost]	TK. 8,253
- [Ownership exemption]	TK.10,317
- [Annual bank loan interest expenses] \times 1/4	TK. 1,250
= [Valuation of the building]	TK.29,700

<Step 2: Calculation of Annual Tax Demand>

The total annual tax demand amount which is calculated as [Valuation of the building] x [Tax rate]. As the holding tax rate imposed on this holding is 27%, the tax demand of this building is TK. 8,019 (TK. 29,700 x 27%).

< Step3: Calculation of Quarterly Tax Demand >

The owner of the building is supposed to pay the holding tax in four installments. Then, quarterly tax demand amount, which is calculated simply dividing the annual tax demand amount (TK. 8,019) by 4, is TK. 2,005.

(c) In case of building partly rented and partly retained

This case is applied to a building which is partly rented and partly retained. In some cases, there is a building whose ground floor and the first floor are rented to tenants, while the second floor is used by the owner for residential use.

Then the ground floor and the first floor are assessed based on A-2 (rental, commercial) and the second floor is on B-1 (retained, non-commercial).

In this case, each part will be assessed based on the relevant assessment method. Each floor will be separately assessed, and then combined when assessment is done.

Paurashava Taxation and Collection System Rules, 2013

Rule 18. List of tax evaluation

(2) Evaluation list should be prepared according to below mentioned procedures, such as:-

(a) In case of fully rented building-

...

(b) In case of fully retained building:

...

(c) In case of building partly rented and partly retained, annual value of rented part will be according to point (a), and retained part will be according to point (b).



Annex 1: Format for Tax Assessment

<p style="text-align: center;">Form- C</p> <p style="text-align: center;">[Article- 18(3)]</p> <p style="text-align: center;">Notice to submit the actual accounts of rent or annual value of building or land</p> <p>Memo No: Date:</p> <p>To:</p> <p>Father/Spouse name:</p> <p>Address:</p> <p>you are requested to submit the proper and actual accounts of rent or return of annual evaluation of your land and building on above mentioned address accordingly with the enclosed form D to the signatory mentioned below within seven days of receiving this notice for the purpose of preparation of revised evaluation list under article 18(3) of the Paurashava tax assessment and collection system rules, 2013. In case of failure, you will be bound to pay the penalty of maximum Tk. 50 at once and then after Tk. maximum 5 for each day.</p> <p style="text-align: right;">.....Paurashava</p>	
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Form- D

[Article- 18 (4)]

Statement of rent or annual value of building or land

1. Ward Name: _____
2. Mohalla/Road/Street : _____
3. . Present no of building and land (holding) in the list of tax assessment: _____
4. (a) Owner (owners) name of the holding: _____
Father/Husband Name: _____
(b) Boarder (boarders) Name; _____
Father/Husband Name: : _____
5. Area covered by the land or building
(a) By building (1) Pacca building: _____
(2) Semi pacca: _____
(3) Temporary: _____
(4) Total: _____
(b) By Free land (1) Pond: _____
(2) Canal: _____
(3) Garden: _____
(4) Open toilet: _____
(5) Other utility: _____
(6)Description of the building (should be submitted according to the direction of next page) _____

(Signature of the return issuing person)

(Should be filled up by **Paurashava executives**.....)

6. New holding no (if provided) of building and land:

7. Annual value calculated by **Paurashava executives**

Resident	Residential Building	Shop/storage/factory/ Workshop	Vacant land (if assessed separately)	Total
(a)Owner (himself)				
(b)Boarder (renter etc.)				

8. Comments of tax assessor with informing the base of annual value assessment including causes, If there is any difference in tax assessment on assets between same area and road.

.....
Paurashava

Description of Building

(According to the serial no-6 of previous page)

Type of Building	Construction type: pacca, semi-pacca, kancha, temporary wooden, plain or shed of tally, leaf wave teen shed or flat, etc.	Age and present condition of the building	No of floors	Nos, design and description					Present Value or annual rent of the building occupied by the owner or boarder	Comments
				No of room	Bakony (open or close)	Bath room	strides	Total area of floor		
1	2	3	4	5	6	7	8	9	10	11
(a) Occupied by the owner										
Residential building										
(2) Shop/ Storage/ industry/ Workshop										
(b) Occupied by the Boarder										
Residential building										
(2) Shop/ Storage/ industry/ Workshop										

Form-E

[Vide Article 19]

Tax Assessment list of the Year.....

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	Conser-vancy	Water	Street Lighting	Fire	Total			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1																
2																
3																
	Sub-Total															

Form- F

[As per article- 20(3)]

Notice for informing assessment of Paurashava tax

Memo no: Date:
Name of holding owner:
Father/Spouse Name:
Address:

This is to be notify for your kind information that, According to article 20(3) of Paurashava tax assessment and collection rules- 2013, the annual tax and rate on the present holding no;

.....
(Previous holding no;) of
.....maholla/road/street ofword of this Paurashava have
been revised under article- 31(1) of this rules, and the new/revised tax and rate is as bellows.
If you have any arguments on tax, ownership, houses/shop/building, etc. you can apply for re-
assessment to the Paurashava through form- g, purchasing from Paurashava office in
declared price. No application will be accepted after particular time and the tax assessed on
you will be finalized. The tax will be implemented and collected from the
date.....of.....year.

So, in this situation you by yourself or your authorized person can apply through form- g
about your arguments for re-assessment within 30 (thirty) days of issuing this notice.

Tax assessor
...Paurashava

Mayor
.....Paurashava

Revised annual tax and rate:

Annual assessment:

Tax on building and land :
.....

Conservancy rate:

Rate on street light:

Water rate:

Total:

(In ward:)

Date of issuing the notice:

(N.B.: This notice will be consider as final notice)

Form- G

[As per article- 21(1)]

Application for re-consideration of tax evaluation and tax assessment list

1. Date of application:

2. Name of the applicant:

3. Father/Husband name:

4. Holding/house no:

5. Road/maholla's name:

6. Annual assessment

(a) Existing:

(b) Revised:

7. Brief description of causes for remedy of the applicant:

Signature of the applicant's
(For office use only)

8. Certificate of the office about the accuracy of information from column 1 to 7.

9. Comments of the officer representing the Paurashava:

10. Order of tax assessment and collection committee about every building:

(a) Summary of the order:

(b) Finally settled annual assessment:

11. Signature of the members of the tax assessment and collection committee:

(1)..... (2) (3)

(4)..... (5)

12. Payable arrear from the applicant and comments on the instalment from which the order will be implemented:

Signature of the divisional head

Annex 2: Valuation sheet

A-1: Calculation of the tax demand amount of fully rented (non-commercial) building

Holding No. New:.....Old: Ward No.
 Tax payer name: Address / Area Name:
 Father / Husband Name:.....

Step 1: Valuation of a building

1 Actual rent or potential rent of 12 month			
Annual rent	TK.	x 12	= TK.
	/ month		/ year
2 Deductions:			
(i) Maintenance cost- Rent of 2 month			
Monthly rent	TK.	x 2	= TK.
	/ month		
(ii) Annual interest of bank loan			TK.
Total deduction (i) + (ii)			TK.
3 Annual valuation of the building (1-2)			TK.

Step 2: Calculation of Annual Tax Demand

	% (Up to)	Amount-TK. Valuation x %
Holding Tax	%	TK.
Lighting Rate	%	TK.
Conservancy Rate	%	TK.
Water Rate	%	TK.
Total Annual Tax demand	%	TK.

Step3: Calculation of Quarterly Tax Demand

Particulars	Quarterly demand				Total
	Quarter-1	Quarter-2	Quarter-3	Quarter-4	
Holding Tax					
Lighting Rate					
Conservancy Rate					
Water Rate					
Total					

A-2: Calculation of the tax demand amount of fully rented (commercial) building

Holding No. New:.....Old: Ward No.
 Tax payer name: Address / Area Name:
 Father / Husband Name:.....

Step 1: Valuation of a building

1 Actual rent of 12 months or potential rent				
Annual rent	TK.	x 12	= TK.	
	/month			/ year
2 Deductions:				
(i) Maintenance cost- Rent of 2 month				
Monthly rent	TK.	x 2	= TK.	
	/month			
(ii) Annual interest of bank loan x 1/4	TK 16,000	x 1/4	= TK.	
Total deduction (i) + (ii)			TK.	
3 Annual valuation of the building (1-2)			TK.	

Step 2: Calculation of Annual Tax Demand

	% (Up to)	Amount-Tk. Valuation x %
Holding Tax	%	TK.
Lighting Rate	%	TK.
Conservancy Rate	%	TK.
Water Rate	%	TK.
Total Annual Tax demand	%	TK.

Step 3: Calculation of Quarterly Tax Demand

Particulars	Quarterly demand				Total
	Quarter-1	Quarter-2	Quarter-3	Quarter-4	
Holding Tax					
Lighting Rate					
Conservancy Rate					
Water Rate					
Total					

B-1: Calculation of the tax demand amount of building for own use (non-commercial)

Holding No. New:.....Old: Ward No.
 Tax payer name: Address / Area Name:
 Father / Husband Name:.....

B-1: Calculation of the tax demand amount of building for own use (non-commercial)

Step 1: Valuation of a building

Calculation of annual value based on construction cost

	Length	Width	No. of Floor	Total Area
1 Size of the building	x	x	=	
	ft	ft	floor	Sft
2 Construction cost of the building:		x	= TK.	
		sft	TK/ sft	
3 Land development cost		x	= TK.	
		TK	TK/ sft	
4 Building construction cost and land development cost (2+3)				TK.
5 7.5% of Building construction and land development cost (4)		x	7.50% = TK.	

Calculation of annual value based on approximate rental revenue

6 Approximate annual rent of the building	x	12	= TK.
	/month	months	

Calculation of annual value

7 Lower amount of (5) construction cost basis valuation or (6) approximate annual rent	TK.
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8 1st Deduction

(i) Maintenance cost 1/6 of (7)	x	1/6	= TK.
	TK. / year		

9 Valuation after deduction of maintenance cost (7-8)	TK.
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10 2nd Deduction

(ii) Ownership exemption (1/4th amount of (9))	x	1/4	= TK.
(iii) Annual bank loan interest expenses	TK / year		TK.
Total 2nd deduction (ii+iii)			TK

11 Annual valuation of the building on construction cost basis (9-10)	TK.
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Step 2: Calculation of Annual Tax Demand

Particulars	% (Up to)	Amount-Tk.
Holding Tax	%	TK.
Lighting Rate	%	TK.
Conservancy Rate	%	TK.
Water Rate	%	TK.
Total Annual Tax demand	%	TK.

Step3: Calculation of Quarterly Tax Demand

Particulars	Quarterly demand				Total
	Quarter-1	Quarter-2	Quarter-3	Quarter-4	
Holding Tax					
Lighting Rate					
Conservancy Rate					
Water Rate					
Total					

B-2: Calculation of the tax demand amount of building for own use (commercial)

Holding No. New:.....Old: Ward No.

Tax payer name: Address / Area Name:

Father / Husband Name:.....

B-2: Calculation of the tax demand amount of building for own use (commercial)**Step 1: Valuation of a building****Calculation of annual value based on construction cost**

	Length	Width	No. of Floor	Total Area
1 Size of the building	x	x	=	
	ft	ft	floor	Sft
2 Construction cost of the building:		x	= TK.	
		sft	TK/ sft	
3 Land development cost		x	= TK.	
		TK	TK/ sft	
4 Building construction cost and land development cost (2+3)				TK.
5 7.5% of Building construction and land development cost (4)		x	7.50% = TK.	

Calculation of annual value based on approximate rental revenue

6 Approximate annual rent of the	x	12	= TK.
	/month	months	

Annual value

7 Lower amount of (5) construction cost basis valuation or (6) approximate annual rent	
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8 1st Deduction	
(i) Maintenance cost 1/6 of (7)	x 1/6 = TK.
	TK / year
9 Valuation after deduction of maintenance cost (7-8)	TK.
10 2nd Deduction	
(ii) Ownership exemption (1/4th amount of (9))	x 1/4 = TK.
(iii) Annual bank loan interest expenses	x 1/4 TK.
	TK / year
Total 2nd deduction (ii+iii)	TK.
11 Annual valuation of the building on construction cost basis (9-10)	TK.

Step 2: Calculation of Annual Tax Demand

Particulars	%(Up to)	Amount-TK.
Holding Tax	%	TK.
Lighting Rate	%	TK.
Conservancy Rate	%	TK.
Water Rate	%	TK.
Total Annual Tax demand	%	TK.

Step3: Calculation of Quarterly Tax Demand

Particulars	Quarterly demand				Total
	Quarter-1	Quarter-2	Quarter-3	Quarter-4	
Holding Tax					
Lighting Rate					
Conservancy Rate					
Water Rate					
Total					