

U.P. government mandates utilisation of tax collected from Industrial areas under Zila Panchayats

- **60% of tax or maintenance charges collected from Industrial areas falling under Zila Panchayats to be utilised in maintenance and development of public utilities in such industrial areas**
- **Tax collected from such industrial areas to be deposited in a separate account**
- **Division level committees formed to ensure proper utilisation of tax collected from industrial areas under Zila Panchayats**

“Utilisation of tax amount in the same industrial area, in which the tax is collected, would result in higher tax compliance and more funds would be available for development and maintenance of industrial areas”

– Additional Chief Secretary, Industrial Development, Shri Alok Kumar

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In order to resolve the issue of double taxation in industrial areas falling inside the limits of Zila Panchayats and utilisation of such tax or usage charges, **Uttar Pradesh government has issued directions to all Divisional Commissioners and District Magistrates to ensure that 60% of amount thus collected in the form of tax or maintenance charges must be utilised in maintenance and development of public utilities inside such industrial areas.** Remaining 40% amount will be utilised in development of Zila Panchayat area outside the industrial area.

It may be noted that **Hon’ble Chief Minister, Shri Yogi Adityanath** had recently directed to resolve the issue soon by ensuring just and transparent utilisation of tax for the maintenance of facilities in industrial areas. The said issue was raised by representatives of industrial associations in the high-level empowered committee meeting of ‘Invest UP’ that was chaired by Hon’ble Chief Minister on Sept 21, 2020.

The directions have been issued through a Government Order by Additional Chief Secretary - Panchayati Raj department. The order **mandates formation of Committees under the chairmanship of Divisional Commissioners** for ensuring the implementation of aforesaid provision regarding utilisation of 60% of tax for internal development and maintenance of industrial areas located inside the Zila Panchayats. **The committee will comprise of concerned District Magistrate, Regional Manager of U.P. State Industrial Development Authority (UPSIDA) as members and Additional Chief Officer of related Zila Panchayat as member-secretary.**

It has also been directed **to deposit the tax or maintenance charges collected from industrial areas falling under Zila Panchayats in a separate account.**

Additional Chief Secretary, Infrastructure & Industrial Development, Shri Alok Kumar said that it was a long pending demand of industrial associations, which has been resolved through Hon’ble Chief Minister’s intervention.

Shri Alok Kumar informed that Industrial Development department had proposed the above provision to Panchayati Raj department. **He said,** *“Utilisation of tax amount in the same industrial area, in which the tax is collected, would result in higher tax compliance and more funds would be available for development and maintenance of industrial areas”.* **Shri Alok Kumar added** that the State government’s direction to deposit the tax and maintenance charges in a separate account would ensure transparency and timely utilisation of funds for providing public utilities in industrial areas located inside Zila Panchayat area, particularly in industrial areas of U.P. State Industrial Development Authority (UPSIDA).
