

Tourism to get a boost as UP to amend property tax rules

Major Relaxation For Starred Hotels From Next Fiscal

TIMES NEWS NETWORK

Lucknow: After a gap of almost a decade, the state government is set to amend the property tax rules and implement it from the next financial year.

The urban development department had decided to amend the rules for calculation of tax for certain properties by introducing the draft rules in the first week of July. The department has received nine suggestions and objections to the draft.

The amended proposal will be put up before the cabinet for approval and will be notified thereafter. Property tax rules were last amended in 2013-14.

While the rates of residential and non-residential buildings will remain unchanged, the department has offered relaxation to operators of starred hotel properties to boost tourism and employment in the state.

Similarly, provisions were required to distinguish between bed and breakfast accommodation and homestays from other budget hotels and guesthouses which will be liable to pay the tax as per norms.

Out of the nine objections, eight were filed by various stakeholders from Agra, the city which attracts about 60% of the total foreign tourists visiting Uttar Pradesh. Agra has over 2,000 ho-

tels.

The need for amendment was felt as the tourism department has accorded industry status to starred properties and has assured such operators that the house tax, water sewerage tax and other municipal charges shall be levied according to the rates prescribed for industrial units. Once the new rule is notified, starred properties, which are liable to pay up to six times of the base rate, would be levied only thrice the base rate.

However, budget hotels, guest houses and other accommodations will continue to pay six times the base rate as property tax.

In a letter to the govern-

ment, president of the Agra-based National Chamber of Industries and Commerce, Rajesh Goyal, had appealed that the property tax structure should be the same for both starred and budget properties.

“Bigger players will get a rebate while the smaller ones will have to bear the burden. The state government should keep similar charges for all,” said one of the stakeholders from Agra who did not wish to be identified.

Principal secretary, urban development, Amrit Abhijat said that the response to the queries raised by the stakeholders would be issued along with proper justification.