

**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

MA&UD Department – Taxes - To levy and collect 50% of Vacant Land Tax (Property Tax on Land) during the construction period of building - Orders – Issued.

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MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (A2) DEPARTMENT

G.O.Ms.No.90

Dated: 24.02.2019

Read the following:

- 1) Govt. Memo. No. 571895/A2/2017, dated 18.9.2017
- 2) From the Director of Municipal Administration, A.P., Guntur, Roc.No.Lr.Roc.No.14031/2/2017-KSec, dated 13.11.2017.
- 3) From the DMA, A.P., Guntur, Lr.Roc.No.14034/95/2018- K Sec- 2, dated 11.09.2018

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**ORDER:-**

The Group of Ministers (GoM) constituted on "Urban Development Policy Reforms in the State of Andhra Pradesh" in its meeting held on 26.12.2016 has discussed the proposal on draft A.P. Building Rules, 2016 and made the following recommendations;

- a. Payment of Tax: Only 50% of Vacant Land Tax or Property Tax shall be levied for the construction period.
- b. Penal Property Tax: To dispense the practice of collecting penal property tax on the buildings where occupancy certificates are issued by collecting compounding fee on 10% deviations.

2) The Director, Municipal Administration, A.P, Guntur in his letters second and third read above, has reported that "Only 50% of Vacant Land Tax or Property Tax shall be levied for the construction period" citing the earlier orders of the Government and the orders of the Hon'ble A.P. High Court has stated that property tax is the main source of revenue to Urban Local Bodies and it constitutes the single largest source of revenue to the urban local bodies and the Urban Local Bodies will be losing considerable revenue if exemption is given from payment of property tax on vacant land to builders. The Director of Municipal Administration, A.P., Guntur has requested the Government to issue necessary orders in the matter.

3) After careful examination of the matter, Government hereby accord permission to the Director, Municipal Administration, A.P., Guntur to impose Vacant Land Tax in Municipal areas on the following;

- I. (i) To levy and collect 50% of Vacant Land Tax (Property tax on land) during the construction period i.e., from the date of granting permission for construction of a building till the date of issue of Occupancy Certificate (or) Completion of Building (or) three years of validity of permission, (or) extended validity, whichever is earlier:

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Provided that this clause is not applicable in respect of Unauthorized Constructions taking place without taking any kind of permission from the Municipalities (or) Municipal Corporations.

(ii) 50% waiver on Vacant Land Tax during construction period to be made effective with retrospective effective. This 50% waiver shall be confined to construction period Vacant Land Tax only, but not other Vacant Land Tax cases.

II. (i) To revise the Vacant Land Tax automatically as and when the Market Values are enhanced (or) revised by Stamps & Registration Department.

4) The Director of Municipal Administration, A.P., Guntur shall take immediate necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**R. KARIKAL VALAVEN**  
**PRINCIPAL SECRETARY TO GOVERNMENT**

To

The Director of Municipal Administration, AP., Guntur.

Copy to:

The G.A.(Cabinet) Dept.

The PS to M.(MA).

The P.S. to Prl.Secy. to Govt.

Sf/Sc.

//FORWARDED :: BY ORDER//

SECTION OFFICER