

## CHAPTER-IV LAND REVENUE AND BUILDING TAX

### 4.1 Tax administration

The Revenue and Disaster Management (R&DM) Department is under the control of the Secretary at the Government level and the Commissioner of Land Revenue (CLR) is the head of the Department. The revenue collected by the Department includes basic tax, building tax, lease rent, plantation tax etc. The Department realises arrears of public revenue under the Kerala Revenue Recovery (KRR) Act, 1968, with interest and cost of process prescribed.

### 4.2 Internal audit

The Internal Audit Wing (IAW) of the Land Revenue Commissionerate is supervised by the Senior Finance Officer under the control of the Commissioner of Land Revenue. The audit of *Taluk* offices (TOs), Revenue Divisional Offices (RDOs), Revenue Recovery Offices, Offices of Vigilance Deputy Collectors and Central Stamp Depot are conducted within a periodicity of two to three years. The IAW is manned by one Senior Superintendent, two Junior Superintendents and six Clerks. The Department stated that the selection of offices to be audited were made on the basis of the date of audit last conducted. The files to be checked were randomly selected and no risk analysis was done before selecting an office for audit. The Department also stated that there is no regular training programme for the staff of IAW. During 2017-18, the IAW planned 28 units for internal audit which were covered during the year. During the year, the Department cleared 5,568 paragraphs out of 14,471 paragraphs which was 38.48 *per cent* of the outstanding objections. The Department stated (August 2018) that the poor clearance of audit observations was due to non-receipt of rectification reports from the sub offices audited.

### 4.3 Results of audit

There are 120 auditable units in the Department. Out of these, 62 units were selected for test check during 2017-18. Audit test checked 935 cases (50.93 per cent) out of the total 1836 cases and raised a total of 693 objections including 191 cases having money value of ₹ 36.22 crore on non/short payment of building tax, basic tax etc. As this was a test audit in the test checked cases and the audit observation is of a nature that may reflect in other cases not covered in the test audit, the Department may therefore, like to internally examine the position in rest of the units with a view to ensure that the instance of non/short payment of tax are taken care of by taking remedial measures, and may also fix responsibility for the lapses in all such cases. Audit pointed out some of the similar omissions in the earlier years also. Not only do these irregularities persist, but they also remain undetected till the next audit is conducted. Underassessment of tax and other irregularities involving ₹ 36.22 crore in 192 cases which fall under the following categories are given in **Table - 4.1**.

**Table – 4.1**

(₹ in crore)

Sl. No.	Categories	Number of cases	Amount
1	Implementation of Land Ceiling and Management of Surplus Land in Kerala	1	-
2	Under assessment and loss under building tax	150	34.93
3	Under assessment and loss under other items	41	1.29
<b>Total</b>		<b>192</b>	<b>36.22</b>

During the course of the year, the Department accepted under-assessments and other deficiencies involving ₹ 21.86 crore in 407 cases. An amount of ₹ 20.18 crore pointed out was realised in 460 cases during the year 2017-18.

A few Audit observations involving ₹ 3.17 crore are mentioned in the succeeding paragraphs.

#### 4.4 Implementation of Land Ceiling and Management of Surplus Land in Kerala

The Kerala Land Reforms Act (KLR Act) was passed in 1963 to restrict private ownership and possession of land in excess of the ceiling area. The KLR Act envisages the constitution of a State Land Board (SLB) for the whole State and Taluk Land Boards (TLB) for each *taluk* in the State, apart from other offices, to implement the provisions of the Act. The ceiling area<sup>1</sup> is prescribed in the KLR Act and various amendments<sup>2</sup> were made to implement the provisions of the Act. Where a person<sup>3</sup> owns or holds land in excess of the ceiling area, such excess land shall be surrendered to the Government.

Any person who owns or holds land in excess of ceiling area shall file a statement before the State Land Board showing the details of all the lands owned or held by such person. A ceiling case shall be initiated in the concerned TLB and after allowing eligible exemptions<sup>4</sup>, the TLB shall order the surrender of land held in excess of ceiling area, if any, to the Government. Subsequently, if any conversion was made to the exempted land, that converted land shall be deemed as fresh acquisition and a fresh ceiling case shall be initiated.

When a person fails to file the statement and surrender excess land, the KLR Act envisages initiation of *suo motu* case by the TLBs as per Section 85(7) of the Act. As per Chapter X of the Village Manual, the Village Officer shall prepare the list of persons having land in excess of the ceiling limit and shall report to the TO/TLB on land holdings above the ceiling area. As per Section 105 of the KLR Act, the Special Deputy *Tahsildar* (SDT), who is the authorised officer of the TLB, is

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<sup>1</sup> Ceiling area shall be:

1. Adult unmarried person or family consisting of a sole surviving member the ceiling area shall not be less than 6 and more than 7.5 acres (2.4281 ha to 3.0351 ha).
2. Family consisting of two or more, but not more than five members the ceiling area shall not be less than 12 and more than 15 acres (4.8562 ha to 6.0702 ha).
3. Family consisting of more than five members the ceiling area shall not be less than 12 and more than 20 acres (4.8562 ha to 8.0937 ha).
4. In case of any other person, other than a joint family the ceiling area shall not be less than 12 and more than 15 acres (4.8562 ha to 6.0702 ha).

<sup>2</sup> 20 amendments from 1966 to 2015.

<sup>3</sup> Company, family, joint family, association or other body of individuals, whether incorporated or not, and any institution capable of holding property.

<sup>4</sup> (i) Land owned or held by the Government of India, State Governments, Local authorities, Cochin Port trust (ii) Land taken under the management of the Court of wards (iii) Lands comprised in mills, factories or workshops (iv) Private Forests (v) Plantations (vi) Cashew estate (vii) Lands mortgaged to the Government or to a co-op society etc. (viii) Land purchased by the Land Mortgage Bank (ix) Land purchased by the Kerala Financial Corporation (x) Land belonging to or held by an industrial or commercial undertaking at the commencement of the Act (xi) dwelling houses and wells, tanks etc. (xii) Temple, Churches, Mosques and cemeteries (xiii) Ware houses (xiv) Commercial sites (xv) Education institutions (xvi) Bhoodan Yagna Committee (xvii) Universities (xviii) Religious, Charitable institutions, Lands granted to defence persons for gallantry.

empowered to obtain any information from any person to carry out the provisions contained in the Act.

As per the order of the TLB, the surplus land shall be acquired by the Revenue and Disaster Management (R&DM) department. The R&DM shall protect the acquired surplus land as per the provisions contained in the Kerala Land Conservancy Act 1957 (KLC Act).

The surplus land acquired is utilised as per the provisions contained in the KLR Act and the Kerala Land Assignment Act, 1960 (KLA Act). The Government may pass the right of utilisation of land to the individuals, bodies, authorities, industries, etc. either on lease for a definite period or bestow ownership without any such condition.

Thus, the SLB and TLBs are responsible for the identification of excess/surplus lands in the State with the assistance of the R&DM Department which is responsible for the acquisition, protection and assignment of the declared surplus land.

The entire period since the inception of the KLR Act, till March 2018 was covered in audit. The audit covered the Government Secretariat, Office of the Land Revenue Commissioner (LRC), SLB, TLBs, TOs, Sub Registrar Offices (SRO) and Village Offices (VO). Twenty five<sup>5</sup> out of 75 TLBs and 25<sup>5</sup> out of 75 TOs in five<sup>6</sup> out of 14 districts were selected by stratified random sampling method using IDEA. Out of the total 48,474 ceiling cases initiated in the state, 39,308 cases (81.09 *per cent*) belong to the selected districts.

The observations made by Audit are given in the following paragraphs:

#### **4.4.1 Absence of database of ceiling cases and surplus lands**

Audit observed that the Department did not maintain a *taluk*/TLB wise detailed database of ceiling cases initiated, pending and disposed. There was also no database showing the details regarding exempted lands, declared and acquired surplus lands, balance pending acquisition and assignment/utilisation of surplus lands. The department could only provide a consolidated progress report showing the *taluk*/TLB wise total number of ceiling cases and surplus lands. Presence of a database is crucial for the identification, protection and utilisation of surplus lands in the State.

Important registers were also not properly maintained even in the manual form. Eg: Register of lands vested in Government and Register of lands reserved and assigned

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<sup>5</sup> Alathur, Changanassery, Chittur, Eranad, Hosdurg, Kanjirappally, Kasaragod, Kondotty, Kottayam, Mananthavady, Manjeswaram, Mannarkad, Meenachil, Nilambur, Ottappalam, Palakkad, Pattambi, Perinthalmanna, Ponnani, Sulthan Bathery, Thirurangadi, Tirur, Vaikom, Vellarikund, Vythiri.

<sup>6</sup> Kasaragod, Kottayam, Malappuram, Palakkad, and Wayanad.

were not maintained properly in 16 out of selected 25 TOs (64 per cent), and Diary Register for each case and Register of final orders were not maintained properly in 17 out of selected 25 TLBs (68 per cent). Audit found three instances where improper maintenance of registers led to mismatch in monthly progress reports with the actual records in TOs

#### 4.4.2 Land registered in excess of ceiling area not identified by the Department for initiating ceiling case

As per Section 120 of the KLR Act, no document relating to any transfer of land shall be received unless the transferor and the transferee make separate declarations on the total extent of land held by him to the Registering Officer, who shall forward the same to the *Tahsildar* for necessary action. The Village Officer shall verify the declarations filed by the land owners at SRO. Audit verified all 212 cases registered between 1 January 1992 and 31 March 2018 having more than 6.0702 ha (15 acres) of land in 43 Sub Registrar Offices (SROs) out of the total 89 SROs in the five selected districts. It was observed that out of these, 184 cases (86.79 per cent) involving 5192.4161 ha of land (valuing ₹ 311.35 crore as per the documents) were not identified and reported by the Sub Registrar/SDT/Village Officer or *Taluk* officials for initiating ceiling cases. District wise cases with registered sale documents having more than 6.0702 ha (15 acres) of land are detailed in **Table 4.2**.

Table – 4.2

(₹ in crore)

District	Total cases verified			Ceiling case already initiated			Ceiling case not initiated		
	No. of cases	Extent in ha	Value of document	No. of cases	Extent in ha	Value of document	No. of cases	Extent in ha	Value of document
Kasaragod	7	666.5338	31.30	0	0.0000	0.00	7	666.5338	31.30
Kottayam	22	1,404.7993	184.23	3	937.1180	66.57	19	467.6813	117.66
Malappuram	73	932.5091	61.10	1	8.3277	0.29	72	924.1814	60.81
Palakkad	59	1,385.8275	47.87	1	7.3855	0.14	58	1,378.4420	47.73
Wayanad	51	2,631.2354	94.26	23	875.6578	40.41	28	1,755.5776	53.85
<b>Total</b>	<b>212</b>	<b>7,020.9051</b>	<b>418.76</b>	<b>28</b>	<b>1,828.489</b>	<b>107.41</b>	<b>184</b>	<b>5,192.4161</b>	<b>311.35</b>

Source: Records of Sub Registrar Offices and TLBs.

The Government stated (February 2019) that SLB had issued letter to the IG (Registration) to invoke the provision of Section 120 of the KLR Act but the same was not implemented. The cases pointed out in audit were forwarded to the District Collectors for their reports. Further progress in the matter was not received (September 2019).

#### 4.4.3 Land in excess of ceiling limit not reported by the Department during acceptance of land tax

Verification of land tax payment details in respect of land holdings above 6.0702 ha (15 acres) furnished by 140 out of the total 534 VOs in the selected five districts revealed that in 358 out of 372 cases (96.24 *per cent*) involving 12,574.5135 ha of land, no ceiling case was initiated by TLB, and these cases were not reported by the Village/*Taluk* officials to the SLB/TLB for initiating ceiling cases. District wise details of number of cases and extent of land are given in **Table 4.3**.

**Table – 4.3**

District	Total cases		Ceiling case initiated		Ceiling case not initiated	
	No. of cases	Extent in ha	No. of cases	Extent in ha	No. of cases	Extent in ha
Kasaragod	60	797.6943	0	0.0000	60	797.6943
Kottayam	99	1,806.6280	3	22.9942	96	1,783.6338
Malappuram	110	7,440.1750	1	6.1108	109	7,434.0642
Palakkad	69	1,821.8272	4	40.6289	65	1,781.1983
Wayanad	34	994.3729	6	216.4500	28	777.9229
<b>Total</b>	<b>372</b>	<b>12,860.6974</b>	<b>14</b>	<b>286.1839</b>	<b>358</b>	<b>12,574.5135</b>

Source: Records of Village Offices.

The Government stated (February 2019) that the cases were not reported due to lack of awareness on the part of the village officials. The issue was brought to the notice of the Revenue department and the concerned list would be forwarded to the *Tahsildars* for further action. The reply is not acceptable as the ignorance of revenue officials cannot be a reason for the lapse on their part (September 2019).

#### 4.4.4 Non-initiation of ceiling cases in respect of cases reported by the Village/*Taluk* officials

Audit verified the 197 cases reported as having land in excess of the ceiling area by *Taluk*/VOs to the respective TLBs (period of reporting - July 2016 to January 2018) and found that no action was taken in 114 cases (57.87 *per cent*) involving 2141.7317 ha of land (valuing ₹ 499.44 crore as per the fair value). District wise cases reported by the Village/*Taluk* officials having more than 6.0702 ha (15 acres) of land is detailed in **Table 4.4**.

**Table – 4.4**

(₹ in crore)

District	<i>Tahsildar</i> /VO reported cases		Ceiling Cases initiated		Ceiling Cases not initiated		
	No. of cases	Extent in ha	No. of cases	Extent in ha	No. of cases	Extent in ha	Value of land as per fair value
Kasaragod	1	8.4437	1	8.4437	0	0.0000	0.00
Kottayam	49	1,136.6631	11	148.7657	38	987.8974	310.15

District	Tahsildar/VO reported cases		Ceiling Cases initiated		Ceiling Cases not initiated		
	No. of cases	Extent in ha	No. of cases	Extent in ha	No. of cases	Extent in ha	Value of land as per fair value
Malappuram	75	1,966.3130	2	835.1032	73	1,131.2098	188.06
Palakkad	1	9.2107	0	0	1	9.2107	0.68
Wayanad	71	1,257.5892	69	1,244.1754	2	13.4138	0.55
<b>Total</b>	<b>197</b>	<b>4,378.2197</b>	<b>83</b>	<b>2,236.4880</b>	<b>114</b>	<b>2,141.7317</b>	<b>499.44</b>

Source: Report from TOs.

The Government stated (February 2019) that effective action was taken to initiate *suo-motu* cases on the cases pointed out by audit. Further progress in the matter is awaited (September 2019).

#### 4.4.5 Violation of exemption

As per Section 81 of the KLR Act, the lands used for certain purposes can be exempted from the ceiling limit by the TLBs. The exempted land subsequently converted has to be treated as fresh acquisition and the person has to file a property statement as per Section 87 of the Act. Accordingly, after filing the statement, the TLB is to start a ceiling case. Further, as per the Village Manual it is the duty of the Village Officer to verify whether any conversion was made by the individual/institution and report the same to the SDT/TLB.

Although TLBs are vested with the power to allow exemptions, they did not have accurate records on the number of cases exempted. Only 69 records on ceiling exempted cases were made available to Audit. Joint Physical Inspection with the representatives of the concerned TLB/*Taluk*/VO conducted in 67 cases revealed that there was violation of exemption in 33 cases involving an extent of 239.1020 ha of land (valuing ₹ 189.73 crore as per the fair value) which remained undetected. In two remaining cases<sup>7</sup> though exemption violation was already identified by the Department, no fresh ceiling case was initiated. District wise ceiling cases in which violation of exemption was detected in JPI in the selected districts are detailed in **Table 4.5**.

Table – 4.5

District	No. of cases			Extent of violation in ha	Fair value
	JPI conducted	Violation not noticed	Violation noticed		
Kasaragod	6	3	3	8.6453	6.34
Kottayam	21	14	7	30.9966	17.77
Malappuram	27	14	13	64.7621	43.85

<sup>7</sup> 1) M.P Chandrananthan, Sulthan Bathery : Exemption violation noticed (06 July 2013).  
2) M/s Poddar Plantations, Vythiri : Exemption violation noticed (05 May 2016).

District	No. of cases			Extent of violation in ha	Fair value
	JPI conducted	Violation not noticed	Violation noticed		
Palakkad	9	3	6	35.4064	27.44
Wayanad	4	0	4	99.2916	94.33
<b>Total</b>	<b>67</b>	<b>34</b>	<b>33</b>	<b>239.1020</b>	<b>189.73</b>

Source: TLB orders and JPI reports.

The Government stated (February 2019) that action would be initiated on the cases pointed out by Audit. Further progress in the matter was not received (September 2019).

#### **4.4.6 Delay in finalisation of ceiling cases**

Section 85 of the KLR Act deals with the identification and surrender of surplus land by imposing ceiling area. Delay in finalisation of the ceiling cases due to various reasons would affect timely identification of surplus lands.

Audit observed that out of the total 39,308 ceiling cases initiated by the TLBs in the selected districts, 38,399<sup>8</sup> ceiling cases were finalised and the remaining 909 ceiling cases were pending for finalisation and accounted for 22,788.2498 ha of land. Further analysis revealed that these cases were pending for finalisation for a period which, ranged from more than five years to more than 40 years in 732 out of 909 cases and accounted for 19,401.0198 ha of land. District/Age/Stage wise pending surplus land cases are detailed in **Appendix XIII**.

The Government stated (February 2019) that the SLB has fixed targets for TLBs for disposal of pending ceiling cases and necessary steps would be taken by the SLB to verify the figures and the excess land remaining if any would be taken over. The details of targets fixed were not made available. Further progress in the matter was not received (September 2019).

#### **4.4.7 Delay in acquisition of surplus land**

The excess land as declared by the TLB shall be vested in the Government as per Section 86 of the KLR Act and action is to be initiated to acquire the declared surplus land in this respect based on Rule 18 to 20 of the KLR Rules. A declaration or record of possession shall be counter signed by the *Tahsildar* after verification of the *mahazar*<sup>9</sup> and sketch prepared by the authorised officer. The *Tahsildar* shall take necessary steps to carry out changes in the revenue records.

During verification of records in the five selected districts, Audit observed that surplus land of 21,563.3358 ha (93 *per cent*) was acquired in 24,967 cases out of

<sup>8</sup> The total declared surplus land was only 23,151.3770 ha in 25,136 cases out of 38,399 finalised cases.

<sup>9</sup> Statement prepared by the officer authorised by TLB to acquire the surplus of land, which includes details such as date, time, Sy. no., extent area, owner details etc.

the total declared surplus land of 23,151.3770 ha in 25,136 cases which is appreciable. There was delay in acquisition of the balance surplus land of 1,588.0412 ha in 169 cases. District wise surplus land cases pending acquisition are detailed in **Table 4.6** and stage wise details are shown in **Table 4.7**.

**Table – 4.6**

Name of District	Declared as surplus land by TLB		Surplus land acquired		Pending acquisition	
	No. of cases	Extent in ha	No. of cases	Extent in ha	No. of cases	Extent in ha
Kasaragod	7,934	7,285.9148	7,914	7,134.1438	20	151.7710
Kottayam	1,925	1,092.4510	1,921	1,080.811	4	11.6400
Malappuram	11,151	3,874.0165	11,101	3,553.0619	50	320.9546
Palakkad	3,545	8,917.5902	3,519	8,711.5104	26	206.0798
Wayanad	581	1,981.4045	512	1,083.8087	69	897.5958
<b>Total</b>	<b>25,136</b>	<b>23,151.3770</b>	<b>24,967</b>	<b>21,563.3358</b>	<b>169</b>	<b>1,588.0412</b>

Source: Records of TLBs and TOs.

**Table – 4.7**

Reason for pendency	No. of cases	Area in ha
Adverse possession <sup>10</sup>	32	137.3910
Declared as Vested Forest by Forest Department	40	604.4012
Pending with survey	15	188.8963
Not identified the land	3	22.1471
Pending with court	64	468.4923
Petition filed to Land Board	2	0.9551
Recent case	9	63.2462
Report awaited from Village Officer	2	3.0403
Miscellaneous	2	99.4717
<b>Total</b>	<b>169</b>	<b>1,588.0412</b>

Source: Records of TOs.

Age wise surplus land cases pending acquisition relating to adverse possession, vested forest and survey pending are shown in **Table 4.8**.

**Table – 4.8**

Reason for pendency	Less than five year		Five year to 10 years		More than 10 years		Date not available		Total	
	No. of cases	Area in ha	No. of cases	Area in ha	No. of cases	Area in ha	No. of cases	Area in ha	No. of cases	Area in ha
Adverse possession	10	13.2967	4	20.6476	14	34.8991	4	68.5476	<b>32</b>	<b>137.3910</b>
Declared as Vested Forest	2	3.4725	0	0.0000	11	226.3531	27	374.5756	<b>40</b>	<b>604.4012</b>
Pending with survey	6	7.4950	1	0.9146	2	4.9877	6	175.4990	<b>15</b>	<b>188.8963</b>

Source: records of TOs.

<sup>10</sup> The occupation of land to which another person has title with the intention of possessing it as one's own.

Audit observed that out of 169 cases which were stated as pending acquisition with *Tahsildars*, the actual dates of order of declaration of surplus land in 80 cases (47.34 *per cent*) were not available in TOs. The pendency in acquisition was also due to adverse possession and vested forest cases, which were not considered by the TLBs while finalising the ceiling cases.

The Government stated (February 2019) that whenever action is taken to acquire the surplus land the aggrieved party approach the court, obtain stay and the litigation continues for decades. It is also stated that the SLB would give further directions to all concerned TLBs for speedy disposal of the ceiling cases. The reply is not acceptable as only 38 *per cent* of the total pending cases are *sub judice*. The Government has not furnished details of action taken in any of the cases pointed out by Audit.

#### **4.4.8 Removal of valuables from acquired Surplus land**

As per the KLC Act, it shall not be lawful for any person to destroy, remove or appropriate earth, sand, metal, laterite, lime-shell or such other article of value as may be notified by the Government from any land which is the property of the Government and a person who removes valuables from the Government land is punishable under the Act. During verification, Audit found that three cases of removal of valuables from the acquired surplus lands were identified by the department as detailed in the **Appendix XIV**.

Audit observed that the Department did not protect the valuables in the acquired surplus land due to absence of periodical verification and also did not collect fine/penalty etc., in a time bound manner as per KLC Act and Rules.

The Government stated (February 2019) that the misuse of exempted lands will be verified and ceiling cases initiated accordingly. The reply is not relevant to the point raised by Audit. (September 2019).

#### **4.4.9 Irregular assignment of surplus land**

The surplus land acquired is utilised as per the provisions contained in the KLR/KLA Acts. As per Section 96 of the KLR Act, the acquired surplus land may either be assigned on registry or reserved for public purpose by the SLB. Assignment of acquired surplus land by the SLB shall be subject to the limit of one acre as specified u/s 96(2) of the KLR Act and as per the procedures laid down under Rules 25 to 31 of KLR Rules. There is no provision in the KLR Act/Rules to assign surplus lands above one acre or assign on lease. Assignments from the land reserved for public purpose come under the purview of KLA Act/Rules. As per Section 3 of the KLA Act, Government land may be assigned by the Government or by any prescribed authority either absolutely or subject to such restrictions, limitations and conditions as may be prescribed. The conditions of assignment on registry are provided in the KLA Rules 1964.

Audit observed certain irregularities in the assignment of surplus land like violation of provisions of the KLR/KLA Act/Rules, overlooking of the powers of SLB, assignment of land reserved for public purpose to private parties etc. Four cases noticed by audit in respect of Plantation Corporation of Kerala Ltd., and other institutions (Hosdurg *Taluk*), Indiraji Memorial Society (Nilambur *Taluk*), Deseeya Mahila Samajam (Vythiri *Taluk*) and SN Trust and SNDP Yogum (Meenachil *Taluk*) are detailed in **Appendix XV**.

The Government stated (February 2019) that a detailed enquiry is to be conducted in respect of Indiraji Memorial Society. Further reply is awaited (September 2019) in respect of the remaining three cases.

#### **4.5 Non-levy of building tax due to buildings escaping assessment**

**As per Section 5(1) of the Kerala Building Tax Act, 1975, (KBT Act) building tax shall be charged on every building the construction of which is completed on or after 10 February 1992 based on the plinth area of the buildings at the rates prescribed. Section 7(1) of the KBT Act stipulates that the owner of every building, the construction of which is completed, or to which major repair or improvement is made on or after the appointed day<sup>11</sup> shall furnish to the assessing authority, a return in the prescribed form (Form II) within the prescribed period along with a copy of the plan approved by the local authority or such other authorities as may be specified by the Government in this behalf. As per Rule 3 of the Kerala Building Tax (Plinth Area) Rules, 1992, every Village Officer shall furnish to the assessing authority, within five days of the expiry of each month, a monthly list of buildings liable to assessment, together with an extract from the building application register of the local authority within whose area the buildings included in the list are situated.**

During the audit of *Taluk* Offices in 2017-18, Audit randomly selected some buildings, the construction of which was completed during 2015-16 and 2016-17 from the property assessment register of local authorities. These were cross verified with the assessment records of the respective *Taluk* Offices and it was found that 798 buildings in 24<sup>12</sup> out of 39 *Taluk* Offices checked were not reported for assessment to building tax. Non assessment of the buildings resulted in non-levy of building tax of ₹ 2.70 crore as detailed in **Appendix XVI**. The issue still persists despite being pointed out in previous Audit Reports for the years ended March 2015, 2016 and 2017.

<sup>11</sup> 10 February 1992.

<sup>12</sup> Changanassery, Chittur, Devikulam, Fort Kochi, Karthikappally, Karunagappally, Kothamangalam, Kunnathur, Kuttanad, Mavelikara, Mukundapuram, Muvattupuzha, Nilambur, Ottapalam, Peermade, Ranni, Thalassery, Thalappilly, Thaliparamba, Thamarassery, Thodupuzha, Vaikom, Vadakara, Vythiri.

On this being pointed out (November 2018), the Government replied (March 2019) that assessment was completed in 227 cases. The reply was however, silent about the realisation of tax in these 227 cases, and the action taken on the remaining 571 cases.

#### **4.6 Short/non levy of Basic Tax**

**As per Section 5 of the Kerala Land Tax (KLT) Act, 1961, basic tax is levied and collected on land in the State of Kerala, other than those having exemptions under Section 2 of the Act. The rate of tax is prescribed in Section 6 of the Act.**

The rate of land tax is given in **Table 4.9**.

**Table 4.9**

Local body	1 April 2012 to 29 September 2014 <sup>13</sup>	30 September 2014 onwards <sup>14</sup>
Corporation	₹ 8/Are for greater than 2 Ares	₹ 1600 + ₹ 20/Are for each Are above 2 Hectares
Municipality	₹ 4/Are for greater than 6 Ares	₹ 800 + ₹ 10/Are for each Are above 2 Hectares
<i>Panchayath</i>	₹ 2/Are for greater than 20 Ares	₹ 400 + ₹ 5/Are for each Are above 2 Hectares

During the audit (2017-18) of 6 *Taluk* offices<sup>15</sup>, scrutiny of basic tax collection details for the period from 2014-15 to 2016-17 furnished by the village officers, revealed that there was short/non collection of basic tax in 15 cases amounting to ₹ 47.33 lakh as detailed in the **Appendix XVII**.

On this being pointed out (November 2018), the Government replied (April 2019) that action has been initiated to collect all dues. Further report was not received (September 2019).

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<sup>13</sup> Revised vide Kerala Finance Act 2012.

<sup>14</sup> Vide KLT (Amendment) Act, 2016 (w.e.f. 30.09.2014).

<sup>15</sup> Chittur, Devikulam, Peermade, Thalassery, Taliparamba and Vaikom.