

Ordinance Summary

The Mumbai Municipal Corporation (Amendment) Ordinance, 2020

- The Mumbai Municipal Corporation (Amendment) Ordinance, 2020 was promulgated on November 12, 2020. It amends the Mumbai Municipal Corporation Act, 1888. The Act provides for constitution of the Brihan Mumbai Municipal Corporation and matters related to the municipal governance of Greater Mumbai. The Ordinance amends the Act to postpone the revision of capital value for the purpose of property taxes.
- **Capital value:** The Act allows the Municipal Corporation to administer and collect property taxes from the residents under its jurisdiction. The property taxes are assessed based on valuation of the property. Valuation of any building or land can be determined through: (i) the rateable value (which is based on calculation of annual rent), or (ii) capital value (which is based on the value given in the Stamp Duty Ready Reckoner, or based on factors such as market value, land use, among other factors). The capital value so determined is revised every five years. Ready Reckoner rate is the minimum price at which a property has to be registered for purposes of sale or transfer. The stamp duty on the sale or transfer of the property is calculated based on this amount.
- The Ordinance amends the Act making certain changes related to the revision of capital value. These include: (i) the capital value of any building or land will not be revised in 2020-21 due to COVID-19, (ii) the property tax bill for any building or land during 2020-21 will be same as for the year 2019-20, and (iii) the capital value will be revised in 2021-22 and the next revision will be done in 2025-26.

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