

Delhi: Pay Professional Tax If You Earn Rs.50,000 /- a Month

Vibha Sharma | TNN | Updated: Feb 29, 2020, 05.27 IST

NEW DELHI:

After rejecting the commissioner's proposal for four years, the standing committee of South Delhi Municipal Corporation (SDMC) on Friday decided to impose a Professional Tax on everybody with a monthly gross income of Rs.50,000 and above under its jurisdiction.

As per the move, those with a gross income of up to Rs.50,000 will have to pay Rs. 1,800 annually or Rs.150 per month as the Professional Tax, and those earning above Rs.50,000 will be charged Rs.2,400 annually or Rs.200 monthly. The Tax will be charged even if the person doesn't live in the SDMC areas but works there. Traders will remain outside the ambit of this Tax.

The SDMC commissioner had proposed the Tax in the four consecutive budgets, including the current one that was passed last December. But the BJP-dominated deliberative wing rejected it every time. On Friday, the standing committee, however, argued that the move had become necessary after Delhi government drastically reduced the corporation's grants, increasing its financial burden. SDMC is hoping to earn Rs.50 crore from the move.

Refuting any link to BJP's loss in the recent assembly elections, standing committee chairman Bhupender Gupta said the proposal was in the pipeline for a long time. "We don't believe in the concept of freebies and the decision is an attempt towards making the civic agency self-dependent. In case of unauthorized colonies, too, we want to collect property Taxes at least from 2019," he claimed.

"Every service-class person, including Professionals such as lawyers and chartered accountants, working out of offices in the SDMC areas will have to pay the Tax. They may not be living here but still use our services every day," said Gupta. The proposal will now be placed before the corporation's House and if approved, it will be implemented from April 1, 2020. "We are working on arrangements to collect the Tax. It will be either added to the property Tax bill or collected annually in bulk from Offices after its deduction in bulk from salaries," said a senior official.

"The Tax is already levied in 21 cities, including Mumbai. With no funds from Delhi government, we are left with no choice now. Even our recent file submitted to the government for releasing Rs.500-crore grant due from the last quarter has been kept Aside," he alleged.

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