UD(Urban Development) Tax Calculation and Rules:

Urban Development(UD) Tax is taken by Urban Local bodies(Nagar Nigams, Nagar Palikas, Nagar Parishads etc.) for the maintenance they done like roads, street lights, garbage collections and other things.

UD Tax is taken only once in a financial year basis and **duration of UD Tax: 1st April – 31st March.**

There are some rebates in UD Tax if they are paid:

1. Between 1st April – 30th June = 10% rebate on current year tax.
2. Between 1st July – 30th Sept. = 5% rebate on current year tax.
3. Between 1st Oct. – 31st Dec. = No rebate.
4. Between 1st Jan. – 31st March = No rebate.

If owner is female than additional 10% rebate is given throughout the year apart from the above rebate.

Some important units/terms we must know before calculation of tax:

1. 1 sq.yd. = 9 sq.ft.
2. 1 sq.m. = 10.76 sq.ft.
3. 1 sq.m. = 1.195 sq.yd
4. **DLC = District Level Committee**

Plot Area = Total area of the plot or property for which tax can be calculated.

Plinth Area = Total area on which construction is done.

Vacant Area = Total vacant area on the plot/property.

Plinth Area may or may not be equal to build-up area.

Plot Area = Plinth Area + Vacant Area

Types of Properties: -

1. **Residential**: Farm House, independent house/flats/group housing and all types of properties which are used only for residential use and also guest house/paying guest/hostel.

2. **Commercial**: Shops/showroom/workshop/cinema/multiplex and other businesses, commercial use space or **restaurant, cafeteria, bar and banquet hall which is not in hotel campus**, marriage gardens.

3. **Institutional**: All educational institutes, all hospitals, diagnostic centres, museums, art studios, communities centres under control of different communities, rajasthan housing board, urban development board, local business fairs, meditation centre, ayurvedic hospitals, social cultural centre, telephone exchange, post office, private courier services, doordarshan office, govt. radio stations(aakashwani), telephonic towers, gas booking/supply station, entertainment clubs, dharamshala, coaching centres, centre govt./raj. Govt. properties/companies/nigams/board offices/ residences and other govt. properties.

4. **Industrial**: All types of industries and their parts of properties and also industrial units which are registered under rajasthan govt. industrial department. Apart from this **all types of hotels and restaurants, cafeteria, banquet halls which are present in hotel premises.**
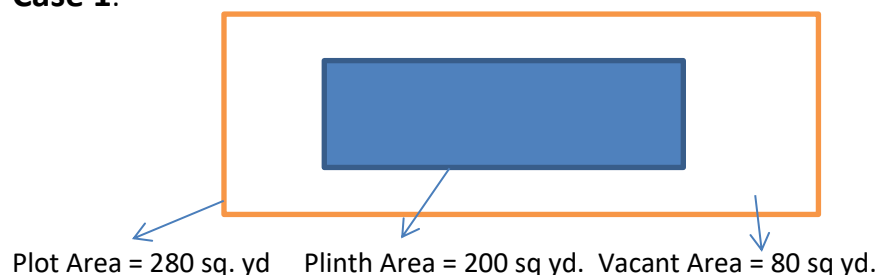
Residential

In case of residential/individual property tax is calculated on **plot area only not on buildup area even if buildup area is more than the plot area** and property of or **under 300 sq yd. is tax free.**

If tenant lives in the same residential property with the owner then also calculation done on the basis of residential property i.e. on the plot area**.**

Formula for calculation of UD Tax for Residential Property:

Tax Calculation = (Plot Area(sq.yd.) X DLC Residential Rate)/ 2000

Case 1:

Plot Area = 280 sq. yd   Plinth Area = 200 sq yd. Vacant Area = 80 sq yd.
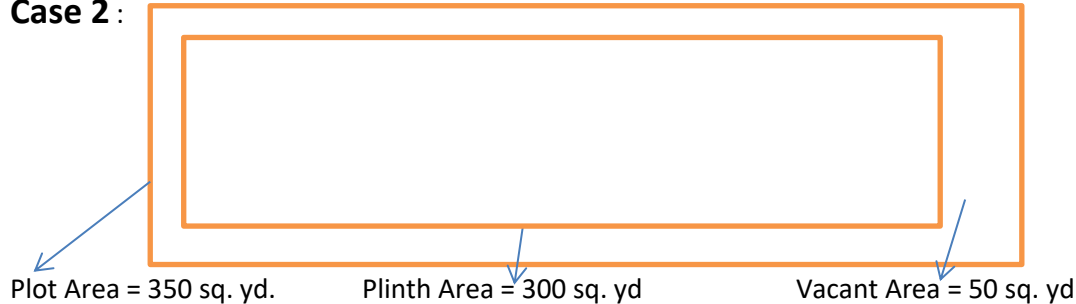
UD Tax Calculations and Rules:

Suppose DLC Res. Rate of this area for the year 2020-21 is = 20000

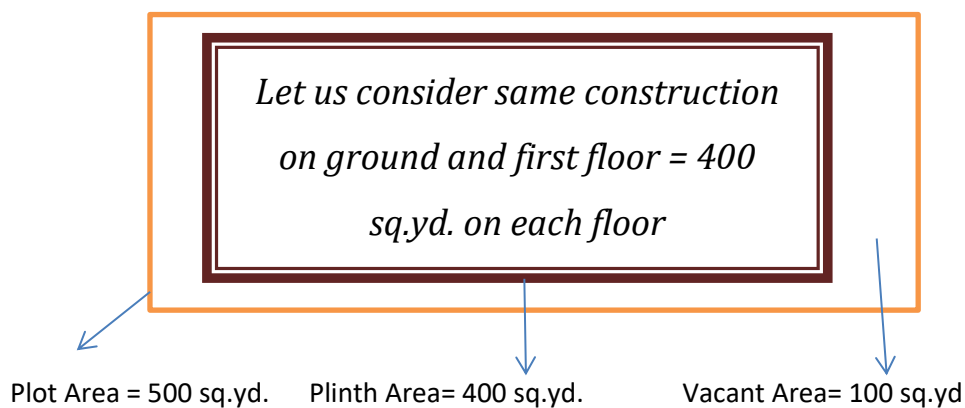**Tax = 0(zero)** as plot area of this property is 280 sq. yd. which is under 300 sq. yd.

Case 2 :

Plot Area = 350 sq. yd.   Plinth Area = 300 sq. yd   Vacant Area = 50 sq. yd

Suppose DLC Residential rate of this area for the year 2020-21 is: 34000

Tax Calculation = **(350 X 34000) / 2000 = Rs. 5950/-**

Case 3: Suppose residential property consists of **ground floor and first floor**.

Let us consider same construction on ground and first floor = 400 sq.yd. on each floor

Plot Area = 500 sq.yd.   Plinth Area= 400 sq.yd.   Vacant Area= 100 sq.yd

Buildup Area(400sq.yd.each on ground and first floor) =800 sq.yds.= 7200 sq.ft**.**

If DLC residential rate of this area for the year 2020-21 is = 25000 then:
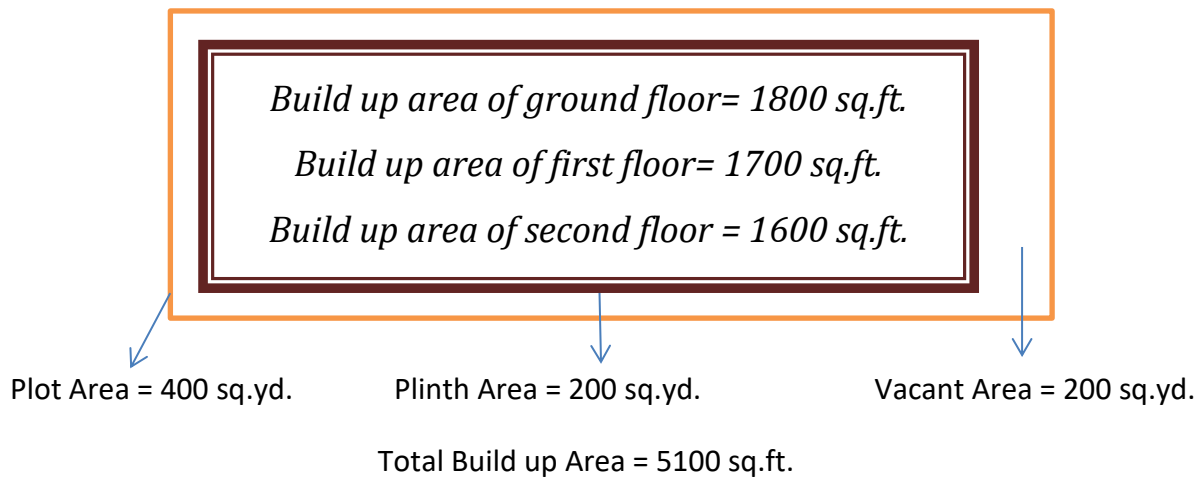
Tax = (500 X 25000)/ 2000 = Rs. 6250/-

Case 4: Suppose property consists of ground, first and second floor.

Builup Area of ground floor = 1800 sq. ft.

Buildup Area of First Floor = 1700 sq.ft.

Buildup Area of Second Floor = 1600 sq.ft.

> *Build up area of ground floor= 1800 sq.ft.*
>
> *Build up area of first floor= 1700 sq.ft.*
>
> *Build up area of second floor = 1600 sq.ft.*

Plot Area = 400 sq.yd.   Plinth Area = 200 sq.yd.   Vacant Area = 200 sq.yd.

Total Build up Area = 5100 sq.ft.

Suppose DLC Residential Rate of this area for the year 2020-21 is: 50000

Tax = (400 x 50000) / 2000 = **Rs. 10000/-**

Flats:-

In case of flats/group housing flats calculation of tax is done on the basis of its build up area only not depends on anything else.

If flat build up area is above 1500 sq.ft then only we have to collect tax from it else no tax can be made.

Formula for calculation of tax in case of flats:

Tax = (Flat build up Area(in sq. yd.) X DLC Residential Rate) / 2000

Case 1: Suppose Flat(F1) is of build up area = 1450 sq.ft. and flat(F2) is of build up area = 1800 sq.ft. and **the DLC residential rate of this area for the year 2020-21 is: 45000** then tax of this is:

> *Flat(F1) build up area = 1450 sq. ft.*   *Flat(F2) Buildup Area = 1800 sq.ft*

Tax for **Flat F1 = zero** as buildup area is less than 1500 sq.ft.

Tax for Flat F2 =

First convert 1800 sq.ft. into sq.yds. i.e. 200 sq.yd.

Now =   (200 X 45000)/ 2000 = Rs. 4500/-
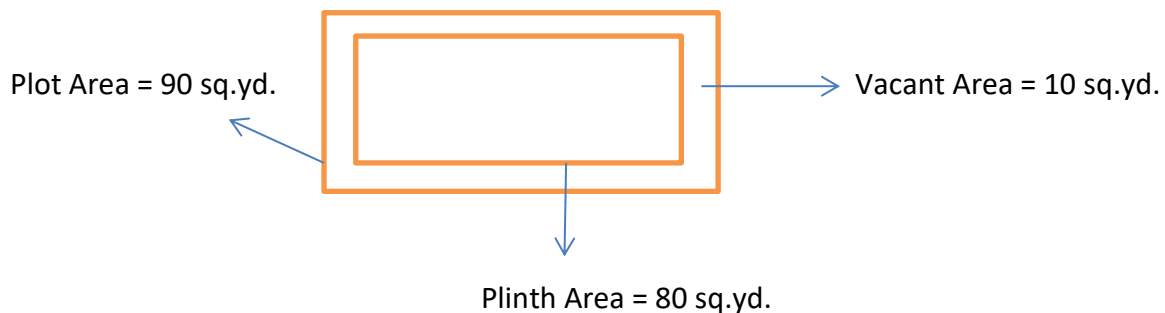
Commercial:-

In case of commercial properties tax is calculated on build up area or on plot area whichever is more and calculation is done in sq. yd. only.

In this type of properties **area of or under 100 sq.yd. is tax free and above that is taxable** whereas in case of commercial complexes/ malls/ shopping complex like properties **tax is payable for each shop office space if total plot area of that property is above 100 sq. yd.**

Tax Calculation in case of commercial properties:-

Tax = (Plot Area/ Build up Area(whichever is more)(in sq.yd.) x DLC Commercial Rate)/ 2000

Case 1 :

Plot Area = 90 sq.yd.

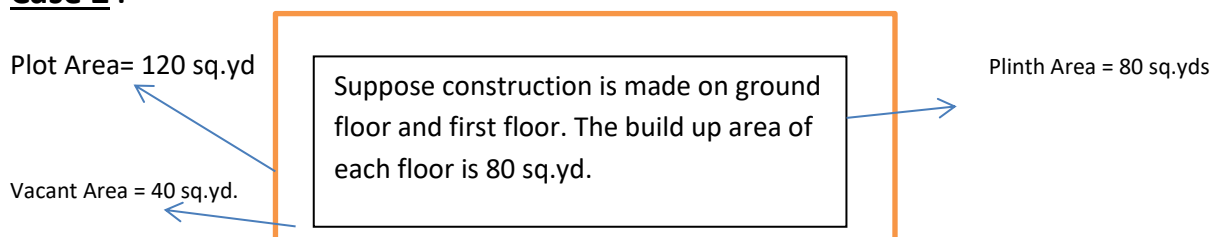Vacant Area = 10 sq.yd.

Plinth Area = 80 sq.yd.

DLC Commercial Rate of this area for the year 2020-21 is: 80000

Let suppose the plinth area here is equal to build up area i.e. 80 sq.yd.

So tax here is zero as neither of the plinth or plot area is greater than 100 sq.yd.

Case 2 :

Plot Area= 120 sq.yd

Plinth Area = 80 sq.yds

Suppose construction is made on ground floor and first floor. The build up area of each floor is 80 sq.yd.

Vacant Area = 40 sq.yd.

Let suppose the plot area of this commercial space is 120 sq.yd, the plinth area is 80 sq.yd whereas the buildup area is 160 sq.yd.(80 sq. yd. of each floor) i.e. 1440 sq.ft. and the vacant area is 40 sq.yd.

Consider DLC commercial rate of this area for the year 2020-21 is : 95000. So the tax of this will be:
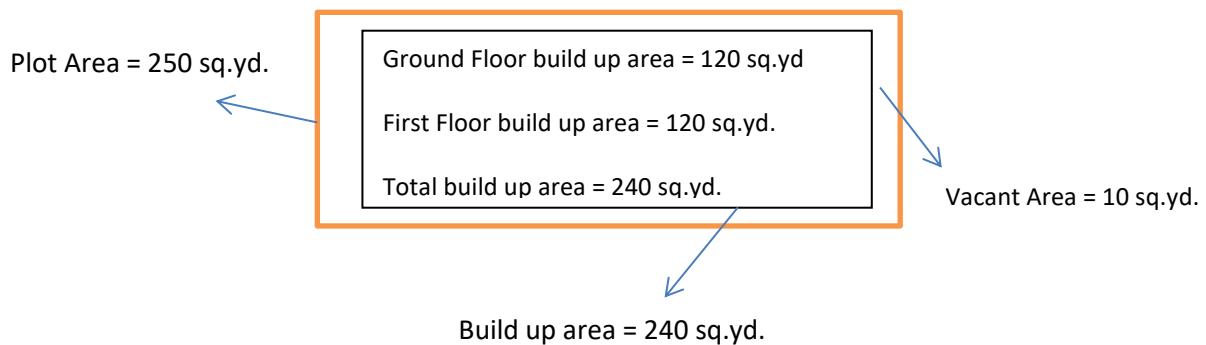
Tax = (160 x 95000)/2000 = Rs. 7600/-

Here we take 160 sq. ft. in calculation as build up area is more than the plot area which is condition in case of commercial properties.

Case 3:

Suppose the plot area of commercial property is 250 sq.yd. and build up area is 240 sq. yd. which in both ground and first floor area is 120 sq.yd. each.
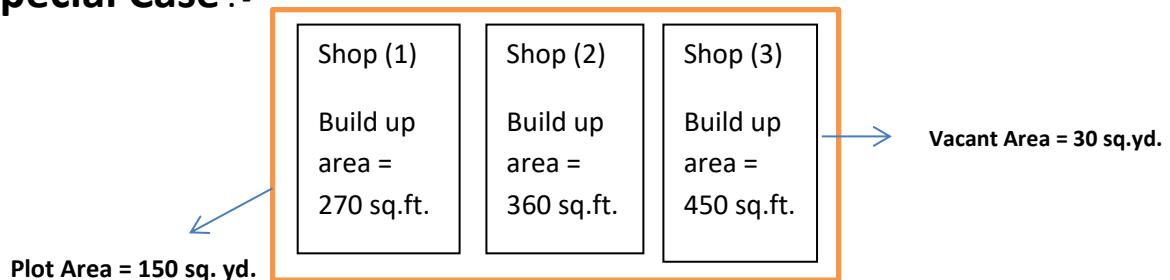
Consider DLC commercial rate of this area for the year 2020-21 is: 150000.

Plot Area = 250 sq.yd.

Ground Floor build up area = 120 sq.yd

First Floor build up area = 120 sq.yd.

Total build up area = 240 sq.yd.

Vacant Area = 10 sq.yd.

Build up area = 240 sq.yd.

Tax = (250 x 150000)/ 2000 = Rs. 18750/-

Here we take plot area because build up area is less than that of the plot area.

Special Case : -

Shop (1)	Shop (2)	Shop (3)
Build up area = 270 sq.ft.	Build up area = 360 sq.ft.	Build up area = 450 sq.ft.

Vacant Area = 30 sq.yd.

Plot Area = 150 sq. yd.

Consider a shopping complex/mall/ commercial complex which has plot area of 150 sq. yd. and shops/office in it is of different sizes and DLC Commercial rate of this area for year 20-21 is: 145000

Shop(1) : build up area = 270 sq.ft

Shop (2): build up area = 360 sq.ft.

Shop (3) : build up area = 450 sq.ft.

Tax for shop(1): First convert it in sq.ft. into sq.yd.

= (30 x 145000)/2000 = Rs. 2175/-   **270 sq.ft. / 9 = 30 sq.yd.**

Tax for shop(2) :

= (40 x 145000) / 2000 = Rs. 2900/-   **360 sq.ft. /9 = 40 sq.yd.**

Tax for shop (3) :

= (50 x 145000) / 2000 = Rs. 3625/-   **450 sq.ft. / 9 = 50 sq.yd.**

For this type of case there is an option in app **"Multi storage/ complex".** One must choose yes option to apply tax in each shop/office in case of commercial complex/ shopping complex/ malls etc. If you choose no option in that then it didn't show any tax.

Institutional:

Formula for calculation of the institutional property till 2015-16:

Tax = (Plot Area/ Build up Area(Sq.yd.) x DLC Institutional Rate)/ 2000

In case of institutional tax calculated from 2007-08 to 2015-16 on plot area or build up area whichever is more. But if in case both are less or equal to 100 sq.yd. then no tax is imposed on the property.

Case 1:

Suppose this institutional property is of plot area = 99 sq.yd.

Plinth Area = 80 sq.yd. Build up area = 80 sq.yd.

Vacant Area = 19 sq.yd.

In the above case both the build up and plot area is less than 100 sq. yd so **no tax is imposed in this property.**

From **2016-17 till now tax is zero** also because build up area is less than 100 sq. yd in this case.

Case 2:

DLC Institutional Rate = 45000

Suppose Plot Area of this is : 120 sq.yd.

Plinth Area: 80 sq.yd.   Build up area = 110 sq.yd.

Vacant Area = 40 sq.yd.

With reference to the above case the plot area is more than that of the build-up area so tax is calculated on the plot area:

Tax = (120 x 45000)/2000 = Rs. 2700/- per year till 2015-16

From **2016-17 till now tax calculation is done on build-up area** if build up area is more than 100 sq.yd. than tax calculation is done on that area else zero tax is made.

So from 2016-17:

Tax = (110 x 45000) / 2000 = Rs. 2475/- per year till 2020-21

Case 3: -

Plot Area = 200 sq. yd.

Suppose Plot Area is = 200 sq.yd.

Ground Floor Build up area = 180 sq.yd. = 1620 sq.ft.

First Floor Build up area = 150 sq. yd. = 1350 sq.ft.

Total build up area = 330 sq. yd. = 2970 sq.ft.

DLC Institutional Rate of this area till year 2020-21 = 45000   **Vacant Area = 20 sq. yd.**

In this case the plot area is 200 sq. yd. and total build up area is 330 sq.yd. so calculation of tax is done on build up area as this is more than the plot area.

Till 2015-16:

Tax = (330 x 45000)/ 2000 = Rs. 7425/- per year.

After 2016-17 till 2020-21:

Tax = (330 x 45000)/2000 = Rs. 7425/- per year.

Here we consider tax on build up area because after 2016-17 tax is calculated only on build up area irrespective of the fact that plot area is more than that of the build up area.

From year 2016-17 till now tax is imposed only on build up area not on plot area even if plot area is more than that of the build up area and if build up area is less than that of 100 sq. yd. then no tax is imposed on the property.

Industrial:

Formula to calculate tax in case of industrial type category:

Tax = (Plot Area/ Build-up Area(whichever is more)(in sq.yd.) x DLC industrial rate)/ 2000

In case of industrial use tax is taken "**above 300 sq.yd. property which is either plot area or build-up area whichever is more**". But if both are less than 300 sq. yd. then property is not liable to pay tax.

Case 1:

> Suppose plot area of this property is = 280 sq. yd.
>
> Plinth/Build-up area = 250 sq.yd. Vacant Area = 30 sq. yd.

In the above case no tax is imposed on the property as neither the plot area nor the plinth or build-up area is above 300 sq. yd.

Case 2 :

> Suppose plot area of this property is = 350 sq. yd.
>
> Ground Floor area = 300 sq. yd. 1st Floor Area = 250 sq.yd.
>
> Total build-up area = 550 sq. yd. = 4950 sq.yd.

DLC = 15000

In the above case tax is calculated on the build-up area as build-up area is more than the plot area so tax is:

Tax = (550 x 15000) / 2000 = Rs. 4125/-