



## ABSTRACT

Surcharge on Stamp Duty - Municipal Corporations, Municipalities and the Town Panchayats - Apportionment and Release of surcharge on Stamp Duty by the Commissioner of Municipal Administration and by the Director of Town Panchayats - Orders - Issued.

- Municipal Administration and Water Supply (Election) Department

G.O.(Ms) No.64-

Dated :28.2.2011.

Read :

From the Director of Municipal Administration / Director of Town Panchayats  
Letter Roc No 70606/2007/ES. dated 20.11.2010

### ORDER:-

At present, the surcharge on Stamp Duty is being levied under section 116-A of Tamil Nadu District Municipalities Act, 1920, similar provisions of the relevant Municipal Corporations' Acts and collected by the Registration Department along with the Stamp Duty and adjusted directly to the Municipal Corporations, the Municipalities and the Town Panchayats by the District Collectors

2. The Government have decided that, to part fund the execution of road related infrastructure projects, fifty percentage of the surcharge on the Stamp Duty collected in respect of the Municipal Corporations, the Municipalities and the Town Panchayats shall be pooled at the State level and credited into the 'Tamil Nadu Urban Road Infrastructure Fund (TURIF)'. Accordingly, to provide for the same and for all matters connected with the levy and collection of surcharge on Stamp Duty in the Urban Local Bodies' areas, the 'Tamil Nadu Duty on Transfers of Property (in Municipal Areas) Act, 2009 -Tamil Nadu Act 32 of 2009 (since amended by the Tamil Nadu Act 37 of 2010), has been enacted, repealing the relevant provisions in the various Urban Local Bodies Acts. The Rules under the said Tamil Nadu Act 32 of 2009 will be issued separately.

3. The Director of Municipal Administration and the Director of Town Panchayats in their letter read above have stated that monitoring the release of surcharge on Stamp Duty to the Urban Local Bodies, by the District Collectors involves considerable time and delay in the release of the funds by the District Collectors has also been noticed.

4. The Director of Municipal Administration and the Director of Town Panchayats have stated that in order to overcome these problems, the Government in Rural Development and Panchayat Raj Department have issued orders in G.O. (Ms) No.168, Rural Development and Panchayat Raj Department, dated 4.10.2007. It has evolved a system of assignment which would ensure that the funds are transferred more quickly to the Local Bodies. As per the said Government Order, the funds are transferred to the Director of Rural Development, who in turn releases them to the Rural Local Bodies.

5. The Director of Municipal Administration and the Director of Town Panchayats have proposed that in view of the distinct advantage of release of funds by the Heads of Departments rather than by the District Collectors, similar to the Rural Local Bodies, fifty percentage of the surcharge on Stamp Duty which is payable to the Urban Local Bodies

may be placed at the disposal of the Director of Municipal Administration in respect of the Municipal Corporations, Municipalities and the Director of Town Panchayats in respect of the Town Panchayats (State Level Pooling) instead of at the disposal of the Inspector General of Registration and the District Collectors and the Director of Municipal Administration and the Director of Town Panchayats may be authorised to release the said funds to the Urban Local Bodies concerned, on quarterly basis. The Director of Municipal Administration and the Director of Town Panchayats have requested the Government to issue orders in this regard.

6. The Director of Municipal Administration and the Director of Town Panchayats have stated that the Surcharge on Stamp Duty is released to the Urban Local Bodies on quarterly basis based on the actual collection and the actual amount due to the Urban Local Bodies would be known only after the completion of financial year. Hence, they have proposed that a tentative allocation may be sanctioned based on the actual amount, due to the Urban Local Bodies in the previous year and the difference between the tentative allocation and the actual entitlement may be adjusted in the succeeding financial year.

7. The Director of Municipal Administration and the Director of Town Panchayats have proposed that the quantum of the pooled amount may be tentatively fixed on the basis of the collection of surcharge during the previous year for making necessary budgetary allocation. They have also proposed that the apportionment of surcharge to the Urban Local Bodies and contribution to the 'Tamil Nadu Urban Road Infrastructure Fund' (TURIF) shall initially be done to the level of tentative allocation for the pooled surcharge in the budget and finally adjusted in the next financial year after determining the entitlement of the Urban Local Bodies. The Director of Municipal Administration and the Director of Town Panchayats have requested the Government to issue orders in this regard and have also requested the Government to allocate appropriate heads of account.

8. The Government after careful examination of the above proposal have decided to accept the same as this will simplify the funds release procedure, on the lines of the Rural Local Bodies, subject to the following and orders accordingly.

(a) 50% of the surcharge on Stamp Duty collected in respect of the Municipal Corporations, Municipalities and the Town Panchayats will be placed at the disposal of the Director of Municipal Administration/Director of Town Panchayats, instead of the Inspector General of Registration and the District Collectors and the remaining 50% to be released as contribution to the 'Tamil Nadu Urban Road Infrastructure Fund' (TURIF) by the Director of Municipal Administration/Director of Town Panchayats.

(b) The expenditure shall be booked under the following four new heads of account:

**I. Release to the Urban Local Bodies**

(i) For Municipal Corporations and the Municipalities:

3604 00 Compensations and Assignments to Local Bodies and Panchayat Raj Institutions 200 other Miscellaneous Compensations and Assignments, 1 Non Plan BH Sharing of Assigned Revenue - Stamp Duty (Director of Municipal Administration) 09 Grants-in-Aid 09, Others [DPC 3604 00 200 BH 0998]

(ii) For Town Panchayats

3604 00 Compensations and Assignments to Local Bodies and Panchayat Raj Institutions 200 other Miscellaneous Compensations and Assignments, 1 Non Plan BJ Sharing of Assigned Revenue - Stamp Duty (DTF) 09 Grants-in-Aid 09, Others [DPC 3604 00 200 BJ 0994]

## ii. Release to the 'Tamil Nadu Urban Road Infrastructure Fund' (TURIF)

(i) For Municipal Corporations and the Municipalities

3004 00 Compensations and Assignments to Local Bodies and Panchayat Raj Institutions 200 other Miscellaneous Compensations and Assignments, I Non Plan BG Contribution to Tamil Nadu Urban Road Infrastructure Fund from Assigned Revenue – Stamp Duty (Director of Municipal Administration) 10 Contributions 01. Contribution to Specific Fund [DPC 3604 00 200 BG 1015]

(ii) For Town Panchayats

3604 00 Compensations and Assignments to Local Bodies and Panchayat Raj Institutions. 200 other Miscellaneous Compensations and Assignments, I Non Plan BI Contribution to Tamil Nadu Urban Road Infrastructure Fund (TURIF) from Assigned Revenue – Stamp Duty (DTP) 10. Contributions 01. Contribution to Specific Fund [DPC 3604 00 200 BI 1011]

The above heads of account in respect of the Municipal Corporations and the Municipalities will be operated and controlled by the Director of Municipal Administration and in respect of the Town Panchayats by the Director of Town Panchayats.

(iii) The apportionment of pooled receipts will be done by the Director of Municipal Administration in the case of the Municipal Corporations and the Municipalities and by the Director of Town Panchayats in the case of the Town Panchayats

(iv) The apportionment should be done based on the report of the Inspector General of Registration.

(v) The release of funds to the Urban Local Bodies should be done every quarter, in the first month of next quarter, based on the report of the Inspector General of Registration.

(vi) The estimates for the Expenditure/Receipt head may be done based on the report of the Inspector General of Registration

(vii) If any excess has been released to the Urban Local Bodies that should be regulated in the next quarter release itself.

(viii) For 2010-2011 based on actual receipts (after deducting the amount already released by the Inspector General of Registration), the Director of Municipal Administration/Director of Town Panchayats are authorized to release to the Urban Local Bodies concerned, the same, based on the report of the Inspector General of Registration, as was done for the 'Tamil Nadu Urban Road Infrastructure Fund' (TURIF). (i.e., 003002901 AA 0008)

(ix) The revised procedure (i.e. State Level Pooling) will take effect from the year 2011-2012.

9. This order issues with the concurrence of the Finance Department, vide its U.O. No.33/DS(B)/11, dated 26.2.2011.

(BY ORDER OF THE GOVERNOR)

K. ASHOK VARDHAN SHETTY  
PRINCIPAL SECRETARY TO GOVERNMENT

To  
The Commissioner of Municipal Administration, Chepur, Chennai – 600 005.  
The Commissioner, Chennai Corporation, Chennai – 600 003.  
The Director of Town Panchayats, Kuraiagam, Chennai – 600 108.  
The Inspector General of Registration, Chennai – 600 004.  
All District Collectors.

Copy to:- Director of Treasury and Accounts, Chennai.  
Municipal Administration and Water Supply  
(MC.I, MC.II, MA.III, MA.IV, TP.II) Department, Chennai-9.  
The Finance (Budget/M.A & W.S.) department, Chennai-9.  
All Treasuries / Pay and Account Officers.

//Forwarded by Order//

 29.2.11

Section Officer