



Government of Tripura
R. D. (Panchayat) Department

Some Media Highlights

Govt issues advisory to gram panchayats suggesting 'monetisation of assets'

Revenue receipts of Telangana gram panchayats down in 3-year period

RBI study says own tax revenue and non-tax revenue of the panchayats fell during the period

Published - February 07, 2024 12:54 am IST - HYDERABAD

Panchayats should focus on improving own revenue sources: report

CESS team visited 10 mandals, 20 gram panchayats and eight thandas in five districts

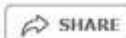
Published - March 07, 2019 11:29 pm IST - HYDERABAD


In Haryana, 5 villages with 'enough money' have donated over Rs 50 cr to Covid relief fund

Panchayats claim the Haryana villages are well-to-do, but local residents say there are not enough schools, and issues like electricity, sewage persist.

Crores in their coffers, these Manesar villages are so rich they don't want civic bodies to take over

Vishakha Chaman / TNN / Updated: Dec 28, 2020, 11:12 IST



Panchayats in India earn only one per cent of their revenue through taxes: Data 

Most of their revenue comes from the Centre and the States as grants

February 08, 2024 09:30 am | Updated 07:02 pm IST

Having panchayats as self-governing institutions 

There is a need to educate elected representatives and the public on the significance and the need for panchayats to be able to survive on its own resources

February 21, 2024 12:08 am | Updated 11:35 am IST

Waste to wealth: Bhopal district panchayat spends Rs 75,000 per month to earn just Rs 4.5 lakh a year

Bhopal district panchayat has a reputation when it comes to waste management, but there is more to it than meets the eye. In 2022, a material recovery facility (MRF) was set up on 5,000 sq ft of land in Itkhedi panchayat at a cost of Rs 48 lakh.

*“Democracy becomes an impossible thing until power is shared by all,
but let not democracy degenerate into mobocracy.”*

-Mahatma Gandhi



Financial Resources of a Gram Panchayat with Special focus on RD (Panchayat) Department

The Financial Resources of Panchayats

Local Revenue (Taxes & Non-Tax) assigned to Panchayats

Local revenues can be collected as Local Own Tax Revenue & Local Own Non-Tax Revenue. The Panchayats levy & collect taxes in accordance with the Tripura Panchayats (Taxes, Fees, Rates & Tolls) Rules, 2011

Borrowings

Gram Panchayat may borrow fund from Banks or Financial Institutions subject to approval of the State Government. However, borrowing is rarely used as source of revenue to Panchayats.

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2

3

Government Assistance

Government Assistance is provided in three ways: i) Assigned Revenue (Taxes that are statutorily assigned to Local Bodies but collected by State & transferred to Panchayats), ii) Shared Revenue (Assigned & Collected by the state and a portion of that is given to the Panchayats like PDF & iii) Grants-in-aid (Tied Grants, Un-Tied Grants & Partly Tied Grants).



Sources of Local Revenues of
Panchayats
(Taxes & Non-Tax)

Tax Revenue

01

Property Tax

It is the annual amount paid by the land owner to the GP. It can be classified as House /Building Tax, Vacant Land Tax, Tax on Agri Land, Betterment Tax on Land, Tax on commercial crop etc.

02

Profession Tax

As per Article 276, Local Bodies can levy tax on profession. The Professional Tax is mostly applicable on GPs which are moving towards urbanization, employment, trades etc.

03

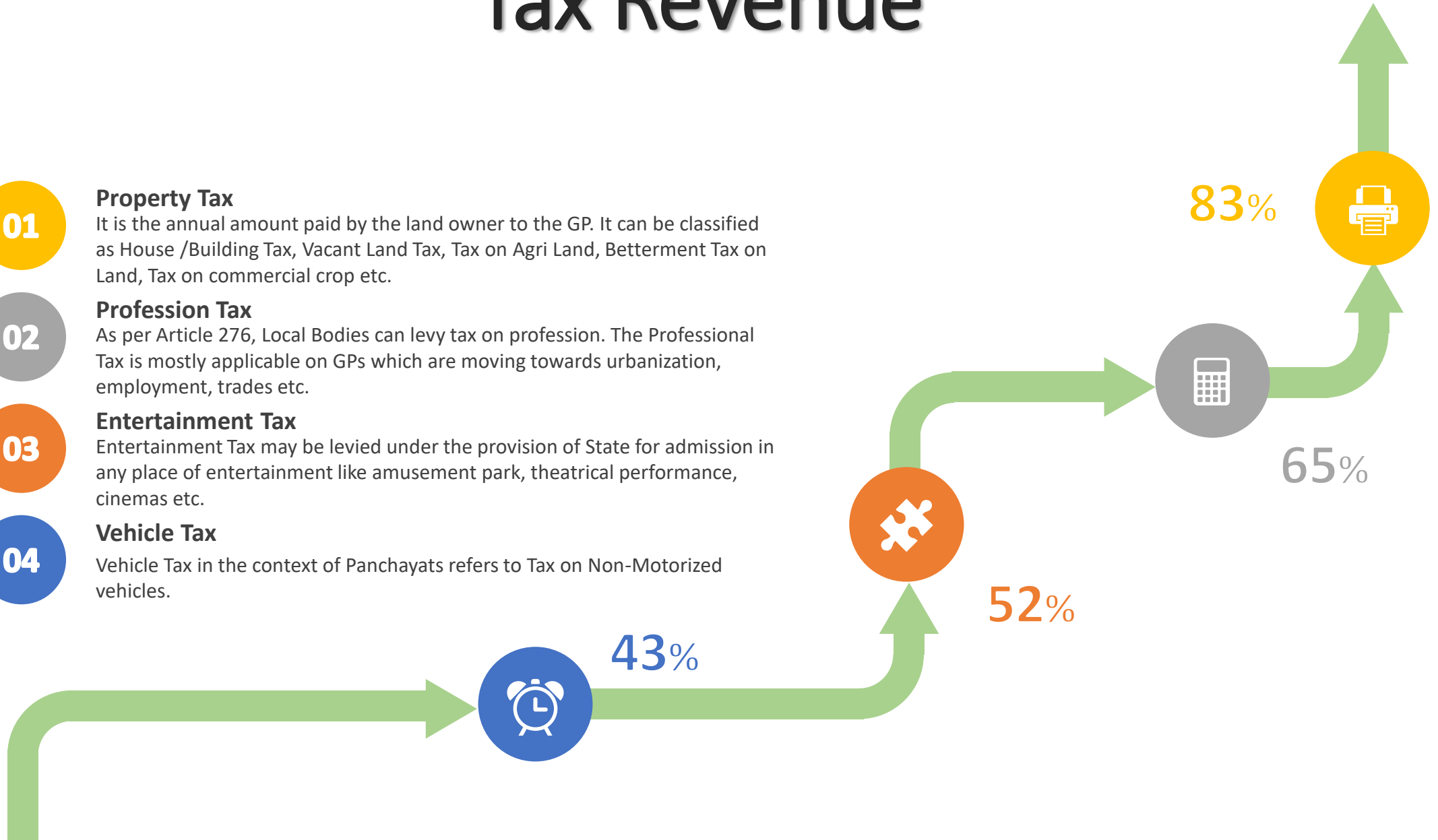
Entertainment Tax

Entertainment Tax may be levied under the provision of State for admission in any place of entertainment like amusement park, theatrical performance, cinemas etc.

04

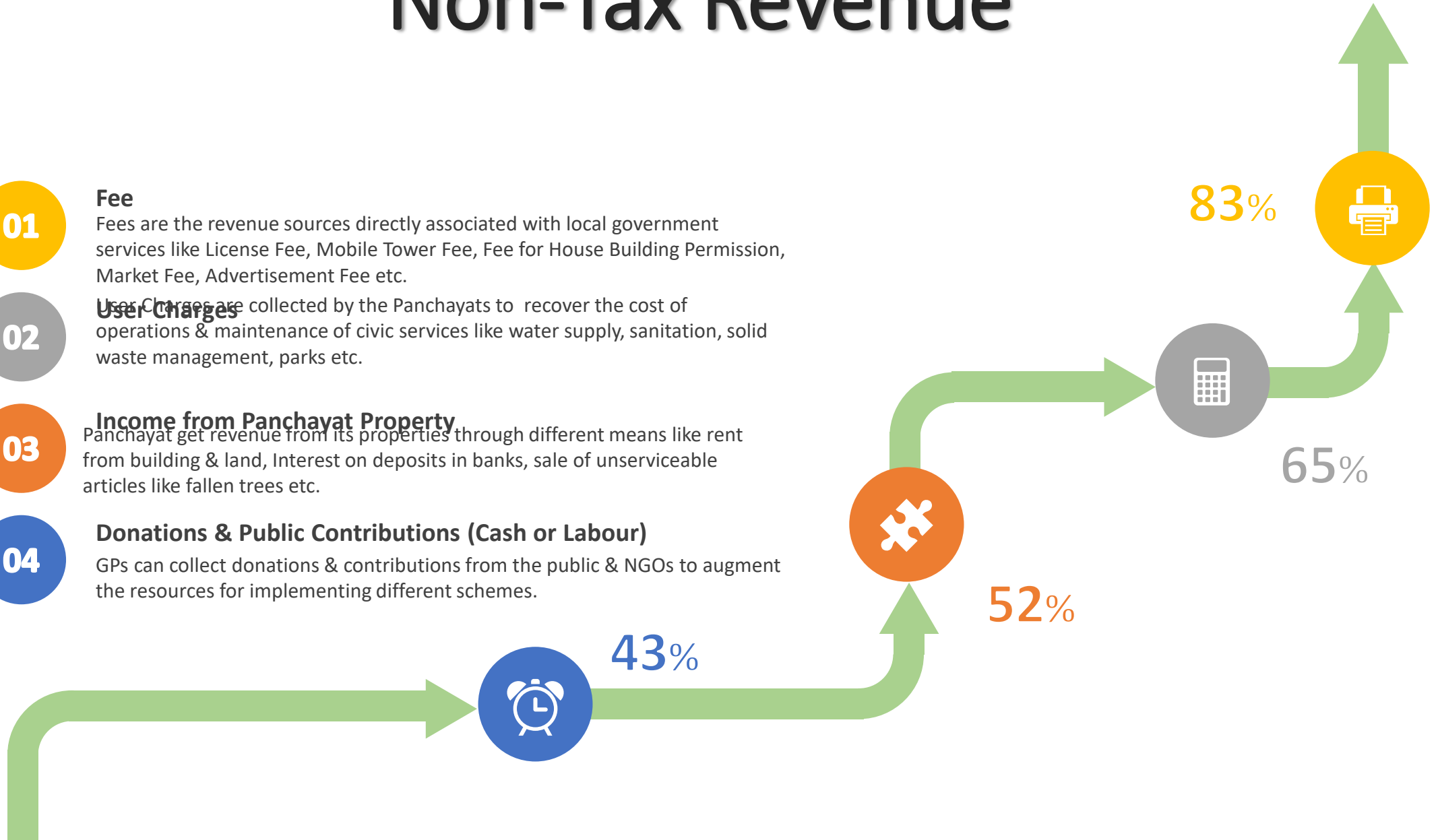
Vehicle Tax

Vehicle Tax in the context of Panchayats refers to Tax on Non-Motorized vehicles.



Non-Tax Revenue

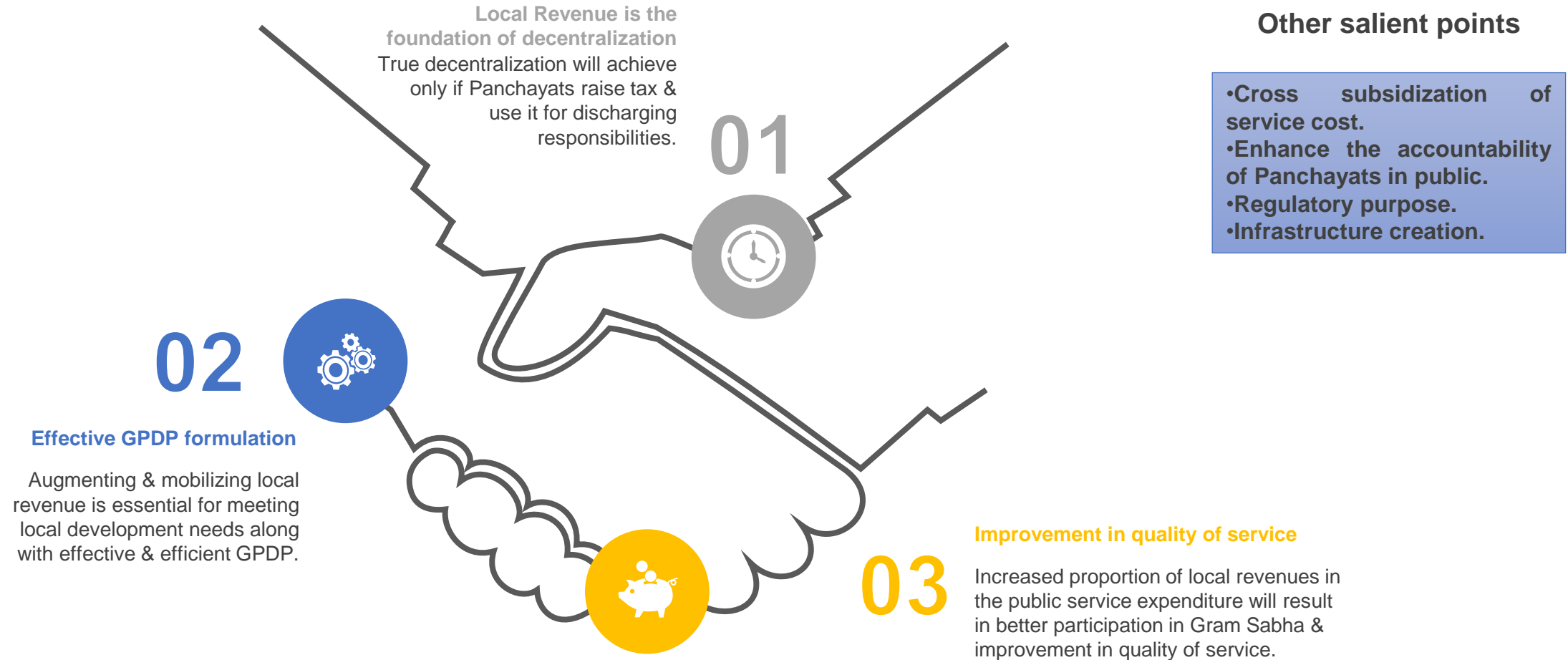
- 01 Fee**
Fees are the revenue sources directly associated with local government services like License Fee, Mobile Tower Fee, Fee for House Building Permission, Market Fee, Advertisement Fee etc.
- 02 User Charges**
User Charges are collected by the Panchayats to recover the cost of operations & maintenance of civic services like water supply, sanitation, solid waste management, parks etc.
- 03 Income from Panchayat Property**
Panchayat get revenue from its properties through different means like rent from building & land, Interest on deposits in banks, sale of unserviceable articles like fallen trees etc.
- 04 Donations & Public Contributions (Cash or Labour)**
GPs can collect donations & contributions from the public & NGOs to augment the resources for implementing different schemes.





Importance of mobilizing Local
Revenues to Strengthen Panchayat
Finance

OSR generation gives flexibility & autonomy





Salient provisions of the Tripura
Panchayats (Taxes, Fees, Rates &
Tolls) Rules, 2011

Procedure for imposing taxes, fees, tolls, rates etc.

After considering objections the GP shall impose taxes, fees, tolls etc. which may be paid for every quarter. (April, July, October & January)

GP will pass a resolution to impose taxes, fees, rates & tolls.



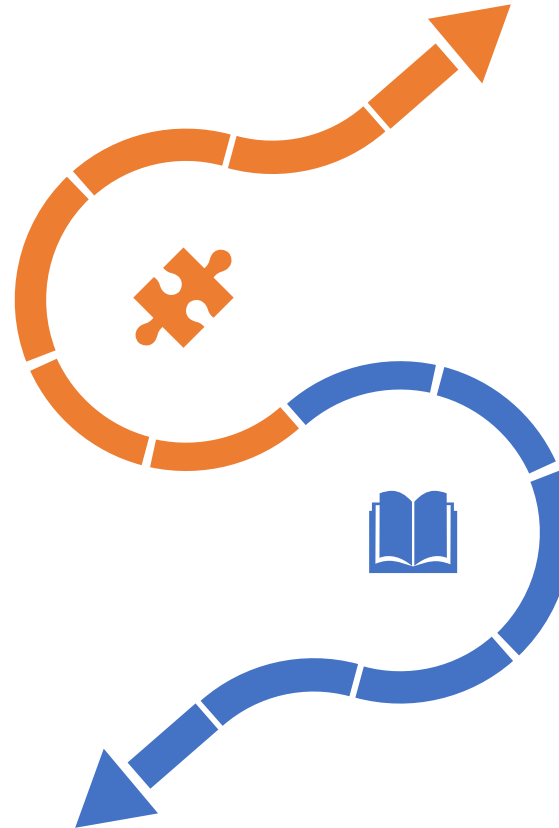
The notice shall also include the date (not earlier than 15 days from notice) by which any inhabitant can submit their objections to the secretary.

GP will publish a notice with the rate of taxes, tolls etc. along with the date of effect which should be at least 30 days from the date of notice.

Role of Panchayat Samity

The finance standing committee of the Panchayat Samiti may pass a resolution to impose or levy taxes, fees, rates & tolls on the matters the Panchayat Samiti is empowered for the purpose under the Act subject to the condition that the purpose for which GPs are collecting tax, Panchayat Samiti shall not impose any tax.

The PS after imposing tax, needs to prepare a list of assessee GP wise before commencement of each year. Any person dissatisfied with the imposition or levying of tax, fees etc may appeal to the concerned DPO within 30 days from the date of final publication. The executive officer of the PS shall arrange sending bill of tax, fees etc to be paid by each assessee.



The resolution of finance standing committee shall be approved by the PS. In case the fees/tax/toll etc imposed by the PS for any purpose is considered to be unreasonable the respective ZP have the right to review the same issue direction whereas in case of dispute decision of the state government is final.

The rest of the issues are quite similar to the GP level.

Role of Zilla Parishad



The finance standing committee of the Zilla Parishad may pass a resolution to impose or levy taxes, fees, rates & tolls on the matters the Zilla Parishad is empowered for the purpose under the Act subject to the condition that the purpose for which GPs & PS are collecting tax, ZP shall not impose any tax.



The resolution of finance standing committee shall be approved by the ZP. In case the fees/tax/toll etc imposed by the ZP for any purpose is considered to be unreasonable the state government have the right to review the same issue direction.



The ZP after imposing tax, needs to prepare a list of assessees GP wise before commencement of each year. Any person dissatisfied with the imposition or levying of tax, fees etc may appeal to the concerned DM within 30 days from the date of final publication.



The rest of the issues are quite similar to the GP & PS level.





Some initiatives that can be replicated from the counterparts

- ❖ Boards for the advertisement may be constructed at main entry points and cross over of the village which may be rented for advertisement.
- ❖ Organic fertilizer may be prepared from garbage and sold, which will create a source of income for the GP as per provisions of the Solid and Liquid Waste Management Rules for Rural Areas of Tripura.
- ❖ Shops may be constructed at the land of Gram Panchayat and rented, which will yield a permanent source of income for GPs.
- ❖ Tax rules may be simplified and may be brought under State GST after merging all the sources like Octroi, Entertainment Tax, Professional Tax etc.
- ❖ Gram Panchayats may be awarded on the basis of OSR generation so that others will feel motivated and a sense of competition can develop among them.
- ❖ The rate of issuing RoR may be revised and also may be linked to clearance of house tax, water tax etc.
- ❖ In rural areas, new sources of revenues are coming up i.e., nursing homes, coaching centers, mobile towers, petrol pump and Dhabas (Restaurants), these can be taxed by Panchayats.
- ❖ Innovative activities like shelter house for cattle's, creating entertainment parks in barren land, developing water bodies for fishing, creating trekking paths through forest etc. are some of the initiatives which the Gram Panchayats can undertake through convergence of line department fund with gap funding of maximum 2 Crore from RGSA.
- ❖ Quarterly monitoring of the OSR status may be done in State Level meetings and targets may be set for better performance.

An aerial photograph of a city skyline, likely New York City, viewed from a high angle. The image is overlaid with a large, dark brown circle that has a dashed white border. Inside this circle, the words "Thank you" are written in a white, serif font. The background is a warm, orange-tinted aerial view of the city, showing numerous skyscrapers and a body of water in the distance. In the top right and bottom left corners, there are decorative elements consisting of two parallel, dark brown diagonal lines.

Thank you