

## ANNEXURE - II

**Table - II**

UNIT AREA VALUE (UAV) FOR ASSESSMENT OF NON-RESIDENTIAL PROPERTY WITHIN  
BRUHAT BANGALORE MAHANAGARA PALIKE JURISDICTION

The category & description of property is mentioned in column (1) status, whether tenanted or owner occupied is mentioned in column (2) and the zonal classification and the unit area value of the zones are mentioned in column (3).

**UNIT: PER SQ.FOOT / PER MONTH**

Column 1	Column 2	Column 3						
<b>Category</b>  <b>VI</b>	All class of non-residential buildings that are not equipped with central air condition facility including those buildings used for banks, offices, shops, clinics, diagnostic centers, fitness center, hotels & restaurant (without lodging), student hostel and educational institution (not exempted under section 110 of the KMC Act), recreation club /association, sports association/institute, premises used for Information Technology (IT) Bio-technology, Business Process Outsourcing firms, and other IT related services like Legal Process Outsourcing, Medical Transcriptions etc even if such units are classified as Tiny, Small Scale Industries or Medium Scale Industries, but does not include such class of properties and such extent, as mentioned in other categories, for reduction of property tax.		Zonal Classification Unit Area Value per square feet per month (in Rs.)					
		Status	A	B	C	D	E	F
		Tenanted	20.00	14.00	10.00	8.00	6.00	3.00
		Self-occupied	10.00	7.00	5.00	4.00	3.00	1.50

Based on the published guidance value in the year 2000 area/streets under the ARV-SAS scheme were classified into A to F Zone. The present Zonal classification under Unit Area Value is also classified as A to F Zones. However, if an area/street that is now been classified has moved to more than one higher zone then such change in zones shall be restricted to the value (rate) of the immediate next higher zone.

*For example: If an area/ street under the SAS 2000 was classified under F Zone, but in the present notification is classified in D Zone, then such area/street shall be restricted to the value (rate) of E Zone and not the value (rate) of D Zone. This concession is available only for the current block period.*

Column 1	Column 2	Column 3
<b>Category</b>	Description/ usage of property	Unit Area Value per sft per month
<b>VII</b>	Irrespective of location (zones), all non-residential use of property, provided with escalators whether or not put to use and not falling under categories VIII to XIV	Rs. 20.00
<b>VIII</b>	Irrespective of location (zones), all non-residential use of property, which are provided with central air conditioning facility, whether or not put to use, and where one occupier or several occupiers together have a built up area of:-	
	(i) 5000 and more square feet,	Rs. 20.00
	(ii) 4999 sft or less and,	Rs. 18.00
<b>IX</b>	Irrespective of location (zones), all non-residential property used as hotels/restaurant which have both boarding and lodging facilities, [other than those falling under category IX], including those building used as serviced apartment or serviced home, guest houses and the like, where the average charges for the occupancy of the room is: <i>See condition (iii) how to calculate average rate per room per day.</i>	
	<b>Subcategory:</b>	
	(i) where the average rate (room tariff) is Rs.2000 or more per day or part thereof whether or not the charges included breakfast/meals or other facilities,	Rs. 14.00
	(ii) Where the average rate (room tariff) is between Rs. 1000 and Rs.1999 per day or part thereof and whether or not the charges included breakfast/meals or other facilities.	Rs. 10.00
	(iii) Where the average rate (room tariff) is Rs. 999 and less per day or part thereof and whether or not the charges included breakfast/meals or other facilities.	Rs. 8.00
<b>X</b>	All Star Hotels, as classified by the Ministry of Tourism, Govt. of Karnataka/Govt. of India, irrespective of the location (zones) within the jurisdiction of Bruhat Bangalore Mahanagara Palike	Rs. 20.00

Column 1	Column 2	Column 3					
<b>Category XI</b>	<b>Sub category</b>	Cinema theaters in sub-category (i) have been classified into 5 groups based on the quality of construction, air-condition and other facilities provided.					
	(i) Cinema Theaters	Zone classification	A	B	C	D	E
		Unit Area Value per sft per month (in Rs.)	4.00	3.50	3.00	2.50	2.00
	(ii) Multiplex Cinema	Irrespective of location Rs. 20.00 per square feet plus cess					
	(iii) Touring theaters	Irrespective of location annual Composite tax of Rs. 8,000.00 plus cess annually as property tax, payable in two half-yearly installments.					
	(iv) Semi-permanent theaters	Irrespective of location annual Composite tax of Rs. 10,000.00 plus cess annually as property tax, payable in two half-yearly installments.					

Column 1	Column 2	Column 3						
<b>Category</b>	Private Hospitals and Nursing Homes	Group based on bed strength & date of commencement						
<b>XII</b>	Subcategory	Group & Unit: Rate per sft. per month						
		a	b	c	d	e		
		More than 200 beds.	Between 100-199 beds	Between 50-99 beds	Between 25-49 beds	Less than 25 beds		
		(i)	2008 and after	Rs.6.00	Rs. 5.00	Rs. 4.50	Rs. 4.00	Rs.3.50
		(ii)	Between 2000 – 2007	Rs.5.00	Rs. 4.50	Rs. 4.00	Rs. 3.50	Rs.3.00
		(iii)	Between 1980 – 1999	Rs.4.50	Rs. 4.00	Rs. 3.50	Rs. 3.00	Rs.2.50
		(iv)	Prior to 1980	Rs.4.00	Rs. 3.50	Rs. 3.00	Rs. 2.50	Rs.2.00

Column 1	Column 2	Column 3				
<b>Category</b>	Kalyana Mantapa, Shadi Mahal, Community Hall, Convention Hall, Party Hall etc. including temporary structures let out for marriage, reception, meetings or for any function/ exhibition and not being a hotel or a restaurant.	Unit Area Value per sft per month				
<b>XIII</b>		Irrespective of location (zone) and where the built up area including basement, cellar, and all other covered area is:				
		a	b	c	d	e
		More 5001 sft	Between 4001 sft and 5000 sft	Between 3001 sft and 4000 sft	Between 2001 sft but less than 3000 sft	Up to 2000 sft
		Rs. 6.00	Rs. 5.00	Rs. 4.00	Rs. 3.00	Rs.2.50

Column 1	Column 2	Column 3				
<b>Category</b>	<b>Industrial buildings</b> (Industrial units as defined by the Director of Industries and Commerce Govt. of Karnataka or Govt. of India and set up in industrial estates formed by the Government or industrial layout approved by the government. This category of non-residential use of properties includes Information technology and Biotechnology companies or firm set up in such industrial estate.	Status	i) Large Scale Industry	ii) Medium scale Industry	iii) Small Scale Industry	
<b>XIV</b>		Tenanted	Rs.8.00	Rs.6.50	Rs.5.00	
		Owner	Rs. 4.00	Rs. 3.25	Rs.2.50	
		iv) All Cottage industries irrespective of location (Viz handlooms, khadi and village industries, sericulture, handicrafts and coir including tiny units and power looms with less than 16 HP whether or not partially used for dwelling purpose and built-up area is:-				
				(a) 1200 sft or less	(b) More than 1201 sft	
		Unit Area Value		Re.0.50 per sft per month	Re. 1.00 per sft per month	
		v) Public sector Industrial buildings (State Govt. or Central Govt. or Joint venture) Rs. 3.00 per sft. irrespective of the scale of the Industry				

Column 1	Column 2	Column 3					
<b>Category</b>	Unit area value for excess vacant land and vacant land not built upon	Unit: Rate per sft. per month (in Rs.)					
<b>XV</b>		Zone A	Zone B	Zone C	Zone D	Zone E	Zone F
		0.50	0.40	0.30	0.25	0.20	0.12

Column 1	Column 2	Column 3 Unit Area Value per sft per month					
<b>Category XVI</b>	Levy of service charges on buildings exempted from payment of property tax. See condition (iv) & (v) below	Service charges shall be paid in respect of buildings exempted from property tax under Section 110 of the KMC Act 1976, excluding places for public worship, at 25% of the prescribed rate plus cesses for lands and buildings or both.					
		Zone A	Zone B	Zone C	Zone D	Zone E	Zone F
		6.00	5.00	4.50	4.00	3.50	3.00

Column 1	Column 2	Column 3	
<b>Category XVII</b>	Tax on telecommunication towers erected on properties, irrespective of location (Zones)	[Composite tax plus cesses]	
		Rs.12,000 plus cess per tower erected on either residential or non-residential property or vacant land.	

Column 1	Column 2	Column 3 [Composite tax plus cesses]			
<b>Category XVIII</b>	Tax per hoarding /billboard including digital or electronic devises erected or fixed on properties and falling as per zone classification.	Erected either on residential or non-residential property or vacant land.			
		(i)	(ii)	(iii)	(iv)
		B Zone where the size of hoarding is less than 150 sft	B Zone where the size of hoarding is more than 150 sft	Other zones where the size of hoarding is less than 150 sft	Other zones where the size of hoarding is more than 150 sft
		Rs.12,000.00	Rs.15,000.00	Rs.7,000.00	Rs.10,000.00

- (i) Provided in respect of outdoor sports stadium like cricket, hockey, tennis, football and the like, the covered area for spectator's gallery for viewing the event shall be computed to tax at 20 percent of the rate applicable for that area/zone and for other recreations and clubhouse facilities shall be computed at the prescribed rates provided under category VI.
- (ii) Provided that under non-residential property, 25% of the total built-up area in Category IX( i), (ii) & (iii), X and XI (i), XII, XIII & XIV shall be considered as utility or service area and such area shall be computed to tax at 50% of the unit area value prescribed for such class of property.
- (iii) In respect of category IX, average charges per day means the average derived on the basis of the number of room multiplied by the rates (room tariff) and divided by the number of rooms.
- (iv) All properties seeking grant of exemption under Section 110 shall apply to the Commissioner in the prescribed application form (Form VI) along with the payment of service charges prescribed under category XVI. If the application falls within the conditions under Section 110, then the payment will be accepted and exemption certificate will be issued. If the application for exemption is rejected, then property tax at non-residential rates will apply.
- (v) When a property is exempted from property tax, and if any portion of the property is used for any other purpose other than for the purpose for which the exemption is granted, then for such usage falling either under Table I or Table II, property tax shall be payable at the prescribed rates to such extent and usage.

- (vi) For covered or stilt parking area tax may be computed at 50% of the unit area value fixed for the respective category of building, zone and status i.e. tenanted or owner occupied.
- (vii) Provided further the area used for storage of merchandise like granite, timber, bricks, tiles and the like, stored in open yard/area, the unit area value shall be computed to tax at 50 percent of the rate applicable for the respective area/zones.
- (viii) Provided further in categories VI to XIII where surface parking slots are provided and charged for separately by the owner/association or any person authorized to collect parking charges and the like in any manner an additional annual lump sum tax of Rs.100 per two wheeler slot and for other vehicles Rs.300 per vehicle slot shall be calculated based on the total number of surface parking slots provided in the premises for two wheeler and other class of vehicles. The owner or the occupier authorizing the collection of payment for parking vehicles shall file the return in such cases.
- (ix) In respect of all non-residential buildings the owner or occupier and such other person like the Association, Society etc who administer the common facilities like manager office, club house, swimming pool, canteen, health club, gym etc. shall file a return and pay property tax for such the built area (facility area), but excluding security cabin, pump house and electrical room, at the rates prescribed for owner occupied status for the respective zones. For collecting or authorizing collection of charges for surface vehicle parking, rental or leasing or licensing hoarding and telecommunication towers within the premises; the owner or occupier shall include such lump sum taxes as applicable and file the in the return.

**How to arrive at the Unit rate Value (UAV) for Non-Residential properties**

- a) Measure the total built-up area of the property. Please see Annexure-VIII for detailed definition of builtup area.
- b) Multiply the total area with the unit area value specified for built-up area and utility area, if applicable, separately, for the respective category. This gives the Monthly Unit Area Value (MUAV). Multiply MUAV by 10 months to arrive at the gross Taxable Annual Value (TAV) (Two months deduction is given in lieu of all allowance for repair or maintenance of the building)
- c) On the TAV deduct for the age of the building depreciation as per **Annexure III** and on the net TAV, apply tax @ 25% for non-residential use to arrive at the property tax payable for the year. On the property tax add further 24% towards cess viz.

Health Cess, Library Cess & Beggary Cess.

**Steps for calculating Property tax for non-residential use of property**

$$\text{Built up area} \times \text{MUAV} \times 10 \text{ months} = \mathbf{T_1}$$

$$T_1 - \text{applicable depreciation} = \mathbf{T_2 (TAV)}$$

$$T_2 \times 25 \%(\text{Tax}) = \text{PT} = \mathbf{T_3}$$

$$T_3 \times 24\% (\text{cess}) = \mathbf{T_4}$$

$$\mathbf{T_3 + T_4 = \text{tax payable}}$$

**Steps for calculating Property tax for non-residential use of property, if deduction is available for service area**

Total built up area = **A<sub>1</sub>**

Service area @ 25% of built up area =  $A_1 \times 25\% = \mathbf{A_2}$  (**Net service/utility area at 50% of the unit value rate**)

$A_1 - A_2 = A_3$  (Net area at full Unit Area Value).

(1) Computation of property tax for net built up area (**A<sub>3</sub>**) after deducting for service area

$A_3 \times \text{MUAV} \times 10 \text{ months} = \mathbf{T_1}$

$A_2 \times 50\% \text{ MUAV} \times 10 \text{ months} = \mathbf{T_2}$

$T_1 + T_2 = \mathbf{T_3}$

$T_3 - \text{applicable depreciation} = \mathbf{T_4}$  (**TAV**)

$T_4 \times 25\% \text{ (Tax)} = \mathbf{T_5}$

$T_5 \times 24\% \text{ (Cesses)} = \mathbf{T_6}$

$\mathbf{T_5 + T_6 = \text{Total Property tax}}$

**Property tax on cinema theaters:** Cinema theaters are classified into 5 groups. Please check the details in Annexure VI to this handbook to know the UAV applicable.

**Assessment of expected return from excess vacant Land:** If the land exceeds 3 times the built up area, such excess extent of land shall be assessed at the rates fixed for category XV for the respective zones.

**Property tax on telecommunication towers and bill boards/hoardings erected on land and buildings.**

- (c) If telecommunication tower is erected on your land or buildings then fill up column No. 15 in the return form.
- (d) If hoarding/billboard is erected in your land or building then refer Annexure VII of this handbook for the zone classification and fill up column No. 16 in the return form.

**How to calculate the service tax for properties exempted under section 110 of the KMC Act 1976.**

1. Calculate the built up area and the property claimed for exemption
2. Apply the rates prescribed in category XVI for the zone under which the property fall
3. Avail depreciation as per deprecation table
4. Apply tax rate at 20% for residential and 25% for non-residential usage plus cess at 24 percent
5. On the total property tax payable calculate 25 percent as service charges payable for the property.
6. Return should be filed in Form VI.

**Time for payment of Property Tax and rebate for early payment**

On the total property tax payable avail 5 % rebate on the total tax payable if property tax is paid in before the due date. Please see FAQ for the extended date for payment of property tax.