

Tax Collection Mechanism and Municipal Revenue

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Abstract

Municipal Corporation must have sufficient revenue to fulfill their functions. The revenue is generated in form of taxes. The tax collection mechanism should be efficient to collect taxes in time. In this context, this paper aims at examining the efficiency of tax collection mechanism with regards to Kolhapur Municipal Corporation (KMC). The primary data have been collected through interview of Corporators selected in the year 2010 and 2015. The present study covers a period of seven years from financial years 2010-11 to 2016-17 for the analysis of secondary data. According to Corporators' opinion, the tax collection mechanism of KMC is not working efficiently. The KMC's tax collection mechanism has not achieved the target of budgeted revenue and the actual revenue collection in form of taxes was less than the budgeted revenue. To make efficient the tax collection mechanism of KMC the authors have suggested the reporting on failure and a separate tribunal at state level.

I. Introduction

INDIA'S URBAN AREA is observing rapid growth in the last few decades. Municipal Corporations (MCs) in India are the urban local government that makes the development of a City. MC has to play a crucial role in the urban development in the form of maintenance of infrastructure, service delivery and planned development of urban area. MC requires adequate revenue to fulfill its functions given in Twelfth Schedule (Article 243W) of the Indian Constitution. With rapid urbanization in various cities of India, it was required to provide necessary services to citizens such as education, health, transport etc. The existing system in form of MC was made to provide these services by collecting various types of taxes and grants from the State and

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