

CHAPTER –VI

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Local governments are the closest form of governance to people at grass root level and hence; it becomes their prime responsibilities to provide basic social-economic infrastructure and civic amenities to citizens. The Constitution at (73rd or 74th) Amendment Acts 1992 (for rural and urban local bodies) respectively has accorded a Constitutional status to these institutions as the third –tier of government.

6.1 SUMMARY:

Our study reveals following the summary-

1. Urban local bodies play an important role in the civic affairs and the social and economic life of the urban population. In a decentralized form of governance, the basic problem of the local people, the services and amenities they require and how those can be provided given the resource, constraints are the issues that are considered and resolved at the local level. For example- Public health sanitation, drinking water supply, schools roads drainage, public safety planned use of land, town planning beautification of the city, cremation grounds, conservancy and disposal of water urban development work etc, are the main urban public goods and services that are provided by urban local bodies.
1. Municipal corporations also enjoy a fair degree of choice in taxation matters. Of course, they have to perform simultaneously responsible jobs of providing water, primary and secondary education, maintaining underground drainage systems, prevention of epidemics, floods etc. in their areas.
2. The main components of the Total Revenue of Kolhapur Municipal Corporation a) Total Revenue Receipts consists of tax revenue and non-tax revenue b) Total Revenue Expenditure is the yearly recurring expenditure of the government and cost of running and administration .c) Total Capital Revenue consists of Debt Receipts d) Total Capital

Expenditure consists the capital expenditure undertaken on new projects or new capital outlays.

- 3 The Source of Revenue to Kolhapur Municipal Corporation are as a) Tax Revenue b) Non-Tax Revenue c) Grants and Donations d) Miscellaneous and other.
- 4 Kolhapur Municipal Corporation takes places as per Bombay Provincial Municipal Corporation Act 1949, and Act provides for imposing certain taxes by the corporation. Section 127(1) of 1949 Act. The optional taxes with which the corporation imposes are vehicles entering in the city. Advertisement tax, taxes on property include general tax, general water, water benefit tax, conservancy tax, education cess, sewerage benefit tax etc.
- 5 The tax revenue expenditure of kolhapur municipal corporation includes expenditure from establishment/payment, professional expenditure, Revenue stamp purchase, dress and sandal ,renkot , furniture repair, nake repair/color, way bridge repair, telephone nakes repair nake, electricity etc.
- 6 The finances of urban local bodies are dependent on this resource of tax revenue and alternative suggested to Octroi, has to be revenue yielding as Octroi.
- 7 Cess means a cess on the entry of the goods into the limits of the city for consumption, use or sale therein. Cess is nothing but Octroi is an entry of goods into the area of this corporation for the purpose consumption, use or sale therein.

6.2 CONCLUSIONS:

Our study reveals following major conclusions-

- 1.1) Overall budgetary operation shows the nature and extent of surplus or deficit of the local government working at any level. The Compound Growth Rate of Total Revenue for 1995-2007 was 6.08 percent and Total Expenditure was 6.91 percent of Kolhapur Municipal Corporation. The revenue was increased 2006-07 over 1995-96 to 1.00 percent and total expenditure was increased in 2006-07 over 1995-96 in 0.79 percent. Reveals that Kolhapur Municipal Corporation had been suffered by deficit for sometimes it had suffered deficit of Rs.-1.37 lakhs in 1995-96, after 2002-04 the deficit increased to -72.27 lakhs. It had suffered surplus of Rs.14.01 lakhs in 1996-97, but increased Rs. 37.6 lakhs in 2002-03.
- 1.2) Budgetary operation of revenue account of Kolhapur Municipal Corporation for 1995-2007. The Compound Growth Rate of revenue receipts of Kolhapur Municipal Corporation for 1995-96 to 2006-07 was 11.20 percent on other hand; the CGR of revenue expenditure of Kolhapur Municipal Corporation for 1995-96 to 2006-07 was 10.26 percent. Kolhapur Municipal Corporation had faced of revenue deficit for three years in the total period. It had suffered deficit of Rs.-9.46 lakhs in 1995-96 and Rs.-25.66 lakhs in 2002-03 but that it had suffered surplus continuously.
- 1.3) Financing operation of capital account of Kolhapur Municipal Corporation since 1995-2007. The Compound Growth Rate of capital receipts for 1995-2007 was 7.94 percent and the capital expenditure for 1995-96-2007 was 10.26 percent. It is increased of 2006-07 over 1995-96 was 0.6 percent.
- 2.1) Tax revenue of the corporation is presented from general tax was Rs.2.93 lakhs in 1995-96, after increased of Rs.8.36 lakhs in 2006-07.

The Percentage share was 1.06 percent in 1995-96 and 11.14 percent in 2006-07.

- 2.2) The Corporation has been imposing conservancy tax since 1-4-1974. As per section 127(1) b of the Act, 1949. The revenue from conservancy tax was 20.62 lakhs in 1995-96, which was declined Rs.3.25 lakhs in 2006-07. The Percentage share of this tax to the total revenue receipts was 0.74 percent in 1995-96 , which was increased 4.37 percent in 2006-07.
- 2.3) The revenue expenditure was required for providing fire fighter services section 129(1)c of the Act,1949 provides for imposition of fire tax on the ratable value of the property, which was 21.62 lakhs in 1995-96, and increased Rs.51.46 lakhs in 2006-07. The Percentage share of revenue from fire tax to 0.78 percent in 1995-96, and declined to 0.68 percent in 2006-07.
- 2.4) To meet this expenditure the section 48 (A) empowers the corporation to levy municipal education cess, which was Rs.43.89 lakhs in 1995-96 and strongly increased Rs.71.69 lakhs in 2006-07 .The Percentage share was 1.58 percent in 1995-96 and 0.95 percent in 2006-07.
- 2.5) Section 127 (2) of the Act 1949, provides for the impose of tax on dogs by the municipal corporation , which was Rs.9.46 lakhs in 1995-96 and declined Rs.3.90 lakhs in 2006-07. The Percentage share was 3.42 percent in 1995-96 at latest to 5.19 percent in 2006-07.
- 2.6) Section 127 (2) (1) of the Act 1949, provides for Advertisements tax to be levied by the corporation which was Rs.3.01 lakhs in 1995-96 and increased Rs.4.35 lakhs in 2006-07. The Percentage share of this tax to the total revenue receipts was 0.74 percent in 1995-96 which was increased 4.37 percent in 2006-07.
- 2.7) Section 127(2) e of the Act 1949, gives power to the corporation to impose toll tax on animals and vehicle entering the city other than motor vehicles, which was Rs.1.54 lakhs in 1995-96, Rs.0.30 lakhs in

2000-01, but not available revenue in 2006-07. The Percentage share was 5.54 percent in 1995-96 and 6.40 percent on 2000-01.

- 2.8) Section 129(1) (99) of Act 1949 provides for the imposition of water benefit tax by the corporation which was Rs.lakhs in 1997-98. The Percentage share of water benefit tax was 0.66 percent in 1999-98.
- 2.9) The revenue from theatre tax of the corporation which was Rs. 5.20 lakhs in 199-2000, and Rs. 4.35lakhs in 2006-07. The Percentage share was 0.22 percent and but decreased 0.5 percent in 2006-07.
- 2.10) Section 127(2) (9) of the Act 1949 empower the corporation to impose Octroi for resource mobilization required for the discharge of duties assigned to them, which was Rs.23.16 lakhs and increased Rs.58.73 lakhs in 2006-07. The percentage share was to 83.86 percent in 1995-96 and 77.66 percent in 2006-07.
- 2.11) Significance percentage of the revenue expenditure of the kolhapur municipal corporation. In 1995-96 octroi financial 1.38 percent and increased 5.18 percent in 2006-07.
- 2.12) Significance of total expenditure financial by Octroi in 1995-96 was 1.13 percent, increased 2.85 percent .The Compound Growth Rate of octroi revenue 11.03 lakhs and the compound growth rate of total revenue of 14.41 lakhs.
- 2.13) Significance of Octroi income in other corporation . The Pune corporation was maximum income from Octroi in 24.16 crore and minimum Octroi income in Bhaunagar corporation 3.20 crore. The Percentage share 64.89 percent in total income in Pune Corporation and 30.5 percent in total income of Bhaunagar corporation.
- 2.14) Octroi income of different corporation and states Rajasthan show maximum percent 82.1 of total revenue of Octroi and minimum percent of total revenue of Octroi in Varian corporation 62.7 percent.

- 2.15) The State and octroi total revenue of Octroi Rajasthan state shows 82.2 maximum percent on total revenue and Mysore states 46.4 shows minimum percent.
- 3) Total of Bombay Municipal Corporation was Rs. 23.64 crore out of which Rs.18.59 crore were from property tax while Rs.1.54 crore only were from "town duty" , property taxes accounted for only 6.53 percent.
- 4) The Cess is require be paid on all goods-a) Agriculture produce-0.2% ad.valorem b) Wines spirit & beer-0.2% ad.valorem c) All other taxable goods 1.0% ad.valorem.