

Chapter - III

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ANALYSIS OF SOURCES OF FINANCE AND TAX STRUCTURE OF VILLAGE PANCHAYAT

- 3.1 Introduction
- 3.2 Analysis of Sources of Finance of Village Panchayat
- 3.3 Division of Total Revenue
- 3.4 Analysis Composition of the Total Revenue
- 3.5 Tax Structure of Village Panchayat

Chapter – III

ANALYSIS OF SOURCES OF FINANCE AND TAX STRUCTURE OF VILLAGE PANCHAYAT

3.1 Introduction

The Village Panchayat is the basic local government unit in rural India. From 1952 onwards it has been also playing an increasingly significant role in rural development administration. Like any other economic unit a government needs fund to finance its activities, such funds are raised from various sources. Its source includes taxes, income from public undertakings, fees, fines, gifts, donations etc. The other source of revenue made available to the Panchayats by the act were income from property or waste like compost, loans from the District Local Board grants by the state government from the Village Development Fund and for development projects etc.

These all sources are divided into tax revenue and non-tax revenue like the central and state government. The local government also performs various different functions to achieve pre-determined objectives. Therefore, the local government also requires finance and revenue in absence of revenue it cannot perform functions and also cannot achieve its pre-determined goals. Therefore, it becomes necessary to take into account the sources of revenue of the local government.

The present study is concerned with the Village Panchayat, which is rural government and the basic local government unit in rural India. Therefore, an attempt is made to narrate sources of Village Panchayat finance.

3.2 Analysis of Source of Finance of Village Panchayat

The financial resource of the Village Panchayat may be divided into two categories –

1. Tax Revenue
2. Non-Tax Revenue

The present study is concerned with 'Hupari Village Panchayat' in Hatkanangle taluka of Kolhapur district. Hence here we discuss about the sources of finance of Hupari Village Panchayat during the period under study from 2000-01 to 2005-06.

1. Tax Revenue

The Hupari Village Panchayat levies various taxes on the people and collects its revenue through the tax. In general the Village Panchayat imposes following taxes.

1. House or Building Tax
2. Light Tax
3. Water Tax
4. Market Tax
5. Health Tax

6. Fair Tax

All these taxes are included in the tax revenue.

2. Non-Tax Revenue

Non-tax revenue of the Village Panchayat mainly constitutes of various grants-in-aid of the state government as well as the central government. Following are the major items, which are included in the non-tax revenue of Village Panchayat.

1. State government grants-in-aid for various schemes like JRY, Gharkul, Indira Aawas Yojana
2. Stamp Duty
3. Grants on collected Land Revenue
4. Fees for Registration of Birth and Death, Marriage etc.

3.3 Division of Total Revenue

The total revenue of the Hupari Village Panchayat mainly consists of the tax revenue and non-tax revenue.

$$\text{Total Revenue} = \text{Tax Revenue} + \text{Non-Tax Revenue}$$

The present study makes an attempt to analyse the division of the total revenue into the tax and non-tax revenue of Hupari Village Panchayat from Kolhapur district.

Table No. 3.1 indicates the division of tax revenue and non-tax revenue into the total revenue and also their percentage shares into the total revenue during the period under study.

Table No. 3.1
Division of the Total Revenue of Hupari Village Panchayat
(2000-01 to 2005-06)

(Rs. in lakh)

Year	Tax Revenue	Non-Tax Revenue	Total Revenue
2000-01	24.24 (68.13)	11.34 (31.87)	35.58 (100)
2001-02	24.15 (76.87)	7.27 (23.13)	35.58 (100)
2002-03	42.35 (67.74)	10.65 (32.26)	53.00 (100)
2003-04	45.20 (63.41)	26.08 (36.59)	71.28 (100)
2004-05	46.48 (67.92)	21.95 (32.08)	68.43 (100)
2005-06	55.65 (69.61)	24.29 (30.39)	79.94 (100)
CGR	19.32	25.74	21.02

Source: Official Records of Hupari Village Panchayat

Note : The figures in brackets indicates percentage to total expenditure.

The data in Table No. 2.1 reveals that the total revenue of Hupari Village Panchayat was Rs. 35.58 lakh in the year 2000-01 and in the same year the tax revenue was Rs. 24.24 lakh and its percentage share in total revenue was 68.13 percent. at the same time the non-tax revenue was only Rs. 11.34 lakh and its percentage share in total revenue was 31.87 percent. However, total revenue was declined to Rs. 31.42 lakh because in this year the non-tax revenue declined compared to the previous year. In the year 2001-02 the tax revenue was Rs. 24.15 lakh and its percentage share in the total revenue was 76.87 percent and at the same time non-tax revenue was only Rs. 7.27 lakh and its percentage share to the total revenue was 23.13 percent.

In the year 2002-03 total revenue was Rs. 53.00 lakh and the tax revenue was Rs. 42.35 lakh and its percentage share in the total revenue was 67.74 percent. At the same time non-tax revenue was Rs. 10.65 lakh and its percentage share in the total revenue was 32.26 percent. Similarly, in the year 2003-04 total revenue increased to Rs. 45.20 lakh and its percentage share in the total revenue was 63.41 percent. At the same time non-tax revenue was very high during the period under study it was Rs. 26.08 lakh and its percentage share in total revenue was 36.59 percent.

In the year 2004-05 total revenue was Rs. 68.43 lakh, it declined as compared to the previous year. In the year 2004-05 the tax revenue was Rs. 46.48 lakh and its percentage share in total revenue was 67.82 percent. In this year non-tax revenue was Rs. 21.95 lakh and its percentage share in the total revenue was 32.08 percent.

In the year 2005-06 the total revenue increased and it was Rs. 79.94 lakh and the tax revenue was Rs. 55.65 lakh and its percentage share in total revenue was 69.61 percent. At the same time non-tax revenue was Rs. 24.29 lakh and its percentage share in total revenue was 30.39 percent.

It is clear from Table No. 3.1 that Village Panchayat under study shows fluctuating trends in their total revenue as well as tax revenue and non-tax revenue during the period under study. From the above data we can conclude that –

1. The tax revenue of Hupari Village Panchayat was higher than the non-tax revenue during the period under study.
2. The tax revenue of the Village Panchayat gradually increased during the period under study.
3. There are fluctuations in Non-tax revenue of the Village Panchayat during the period 2000-01 to 2005-06.
4. The overall compound growth rate of the total revenue was 21.20 percent during the period under study.
5. The compound growth rate of the tax revenue was 19.32 and the 25.74 of non-tax revenue during the period 2000-01 to 2005-06.

3.4 Analysis of Composition of the Total Revenue

Total revenue of the Village Panchayat is classified into two groups such as Tax Revenue and Non-Tax Revenue. Tax revenue includes receipts from various taxes like House tax, water tax, light tax, market tax, fair tax, sanitary tax etc. Tax is the source of own revenue for the Village Panchayat. Similarly, non-tax revenue of the Village Panchayat includes grants from the state governments, earning from public undertakings, fees, fines and payments for certain services provided etc.

The data regarding the composition of the total revenue of Village Panchayat taken into consideration for our study is depicted in the Table No. 3.2. The present study tries to analyse the composition of the

total revenue of Hupari Village Panchayat from Kolhapur district of the Maharashtra state.

Table No. 3.2
Revenue Composition of Hupari Village Panchayat
(Source of Finances) (2000-01 to 2005-06)

(Rs. in lakh)

Particulars	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	CGR
1	2	3	4	5	6	7	8
House Tax	9.15 (25.72)	12.08 (38.45)	22.40 (42.26)	22.33 (31.33)	22.78 (33.29)	29.70 (37.28)	24.97
Water Tax	11.74 (33.00)	8.61 (27.40)	14.50 (27.36)	16.33 (22.91)	16.04 (23.44)	17.80 (22.27)	12.53
Light Tax	0.56 (1.57)	0.65 (2.07)	1.15 (2.17)	1.20 (1.68)	1.34 (1.96)	1.69 (2.11)	24.73
Market Tax	2.06 (5.79)	2.04 (6.49)	2.92 (5.51)	2.38 (3.34)	2.56 (3.74)	2.97 (3.72)	6.81
Health Tax (Sanitary)	0.61 (1.71)	0.70 (2.23)	1.34 (2.53)	2.84 (3.98)	3.59 (5.25)	3.21 (4.02)	49.00
Fair Tax	0.11 (0.31)	0.08 (0.25)	0.05 (0.09)	0.12 (0.17)	0.18 (0.26)	0.19 (0.24)	18.83
Stamp Duty	0.02 (0.05)	0.01 (0.03)	0.02 (0.04)	2.91 (4.08)	0.01 (0.01)	0.84 (1.05)	96.64
Land Revenue	0.17 (0.48)	0.08 (0.25)	0.79 (1.49)	0.22 (0.31)	0.50 (0.73)	0.92 (1.15)	43.58
Grant for WC or Lavatory		0.49 (1.56)	5.67 (10.70)	4.28 (6.00)	2.93 (4.28)	0.08 (0.10)	-34.85
Grant for School	2.02 (5.68)	0.70 (2.23)	--	0.06 (0.08)	4.58 (6.69)	0.35 (0.44)	-15.01
Water Tap Deposit	0.05 (0.14)	0.11 (0.35)	0.03 (0.06)	0.40 (0.56)	0.30 (0.44)	0.25 (0.30)	47.68
Grant-in-aid	9.02 (25.35)	5.79 (18.44)	3.93 (7.42)	17.99 (25.25)	12.24 (17.89)	21.70 (27.15)	26.24
Miscellaneous	0.07 (0.20)	0.08 (0.25)	0.20 (0.37)	0.22 (0.31)	1.38 (2.02)	0.14 (0.17)	41.31
Total	35.58 (100)	31.42 (100)	53.00 (100)	71.28 (100)	68.43 (100)	79.94 (100)	21.02

Source: Official Records of concerned Village Panchayat

Note : The figures in brackets indicates percentage to total revenue.

Table No. 3.2 gives data regarding the various sources of the revenue of the Hupari Village Panchayat during the period under study i. e. 2000-01 to 2005,06. The data also reveals the components of total revenue and their percentage share to the total revenue during the period under study.

1. House Tax

Table No. 3.2 shows the revenue from the house tax of the Hupari Village Panchayat. The revenue from house tax was Rs. 9.15 lakh in the year 2000-01, it increased to Rs. 12.08 lakh in the year 2001-02. Similarly, it again increased to Rs. 22.40 lakh in the year 2002-03. However, during the year 2003-04 it declined to Rs. 22.33 lakh, for the year 2004-05 it increased to Rs. 22.78 lakh and it highly increased to Rs. 29.80 lakh in the year 2005-06.

The proportion of the revenue from house tax to the total revenue of the Panchayat was 25.70 percent in the year 2000-01, which increased to 38.40 percent in the year 2001-02 and further it increased to 42.26 percent in the year 2002-03. However, it declined to 31.33 percent in the year 2003-04 and 33.29 percent in the year 2004-05 and similarly again it increased to 37.28 percent in the year 2005-06.

2. Water Tax

Table No. 3.2 shows the revenue from water tax of the Hupari Village Panchayat. The revenue from water tax was Rs. 11.74 lakh in the year 2000-01, which decreased to Rs. 8.16 lakh in the year 2001-02. However, the revenue increased to Rs. 14.50 lakh in the year 2002-03

and it again increased to Rs. 16.33 lakh in 2003-04, Rs. 16.04 lakh in 2004-05 and Rs. 17.80 lakh in 2005-06.

Similarly, the percentage share of revenue from this tax to the total revenue was 33.00 percent in 2000-01; it was 27.40 percent in 2001-02, 27.36 percent in 2002-03 and 22.91 percent in 2003-04. However, it was 23.44 percent in the year 2004-05 and it declined to 22.27 percent in the year 2005-06.

3. Light Tax

The revenue from the light tax of the Hupari Village Panchayat was Rs. 0.56 lakh in the year 2000-01, which increased to Rs. 0.65 lakh in 2001-02 and further it increased to Rs. 1.15 lakh in the year 2002-03. Similarly, the revenue from light tax increased to Rs. 1.20 lakh in 2003-04, which increased to Rs. 1.35 lakh in 2004-05 and in 2005-06, the revenue from light tax increased to Rs. 1.69 lakh.

Similarly, the percentage share of light tax to the total revenue was 1.57 percent in 2000-01 and it increased to 2.07 percent in 2001-02. Similarly, it again increased to 2.17 percent in 2002-03. In 2003-04, it declined to 1.68 percent and again it increased to 1.96 percent in the year 2004-05. However, in 2005-06 the percentage share of light tax in the total revenue was 2.11 percent, which indicated increase over the previous year.

4. Market Tax

Revenue from the market tax was Rs. 2.06 lakh in the year 2000-01, which declined to Rs. 2.04 lakh in 2001-02, but it increased to Rs. 2.90 lakh in the year 2002-03. However, in the year 2003-04 it was Rs. 2.38 lakh. However, this revenue increased to Rs. 2.56 lakh in the year 2004-05. Similarly, in the year 2005-06 the market tax again increased to Rs. 2.97 lakh.

The percentage share of revenue from market tax to the total revenue of the Panchayat was 5.79 percent in 2000-01, which increased to 6.49 percent in 2001-02. However, it declined to 5.51 percent in 2002-03 and it again declined to 3.34 percent in 2003-04. It was 3.74 percent in 2004-05. However, in the year 2005-06 the percentage share of market tax in the total revenue was 3.72 percent, which indicated declining trend over the previous year.

5. Health Tax

In the year 2000-01, the revenue from health tax was Rs. 0.61 lakh, which increased to Rs. 0.70 lakh in 2001-02 and 2002-03 it was Rs. 1.34 lakh. It again increased and came to Rs. 2.84 lakh in the year 2003-04. Similarly, it increased to Rs. 3.59 lakh in 2004-05. However, in the year 2005-06 the revenue from health tax declined to previous year. It was Rs. 3.21 lakh only.

The percentage share of revenue from health tax to the total revenue was 1.71 percent in 2000-01, which increased to 2.23 percent in 2001-02. Similarly, it was 2.53 percent in the year 2002-03 and it again

increased to 3.98 percent in the year 2003-04, which increased to 5.25 percent in the year 2004-05. However, it declined to 4.02 percent in the year 2005-06.

6. Fair Tax

The revenue from fair tax of the Hupari Village Panchayat has very low during the period under study. It was Rs. 0.11 lakh in 2000-01 and declined to Rs. 0.08 lakh in the year 2001-02. It again declined to Rs. 0.05 lakh in the year 2002-03. However, it increased to Rs. 0.12 lakh in 2003-04 and the revenue from fair tax has gradually increased during the period from 2004-05 to 2005-06, which was Rs. 0.18 lakh and Rs. 0.19 lakh respectively.

The percentage share of the revenue from fair tax to the total revenue of the Hupari Village Panchayat was 0.31 percent in 2000-01 and declined to 0.25 percent in 2001-02. However, in 2002-03 it was very low i. e. 0.09 percent only. It increased to 0.17 percent in the year 2003-04 and again it increased to 0.26 percent in the year 2004-05. However, it declined to 0.24 percent in the year 2005-06.

7. Stamp Duty

Stamp duty is also one of the important revenue head of Village Panchayat. It is included in non-tax revenue of the Panchayat. Table No. 3.2 shows the revenue from stamp duty is very low during the period 2000-01 to 2002-03. The revenue from stamp duty was Rs. 0.02 lakh in 2000-01, which declined to Rs. 0.01 lakh in 2001-02. Again, it increased to Rs. 0.02 lakh. However, stamp duty very highly

increased in 2003-04, it was Rs. 2.91 lakh. However, it again declined to Rs. 0.01 lakh in 2004-05. In 2005-06, the stamp duty increased to Rs. 0.84 lakh.

The percentage share of stamp duty to the total revenue of Hupari Village Panchayat was 0.05 percent in 2000-01, which declined steeply to 0.03 percent in 2001-02. However, in 2003-04 the percentage share of stamp duty in the total revenue was 4.08 percent, which indicated increase over the previous year. However, it was highly declined to 0.01 percent in 2004-05 and again increased to 1.05 percent in the year 2005-06.

8. Land Revenue

It is very important revenue source of the Village Panchayat, which is included in non-tax revenue. Table No. 3.2 reveals grant on land revenue and its percentage share in the total revenue of Hupari Village Panchayat during the period 2000-01 to 2005-06.

The grant for land revenue was Rs. 0.17 lakh in 2000-01, which declined to Rs. 0.08 lakh in 2001-02. However, it increased to Rs. 0.79 lakh in 2002-03 and again declined to Rs. 0.22 lakh in 2003-04. However, in 2004-05, it increased to Rs. 0.50 lakh and again it increased to Rs. 0.92 lakh in the year 2005-06.

The percentage share of revenue from grant on land revenue to the total revenue of Village Panchayat was 0.48 percent in 2001-2. However, it increased to 1.49 percent in 2002-03 and again declined

to 0.31 percent in 2003-04, which increased to 0.73 percent in 2004-05 and it again increased to 1.15 percent in 2005-06.

9. Grant for Water Closet

The revenue from grant for water closet of Village Panchayat Hupari was Rs. 0.49 lakh in 2001-02, which highly increased to Rs. 5.67 lakh in 2002-03 and further declined to Rs. 4.28 lakh in the year 2003-04. However, it declined to Rs. 2.93 in 2004-05. In the year 2005-06, the grant for water closet was only Rs. 0.08 lakh, which indicated declining trend over the previous year.

The percentage share of grants for water closet to the total revenue of the Village Panchayat was 1.56 percent in 2001-02, which highly increased to 10.70 percent in 2002-03 and it was 6.00 percent in 2003-04. It declined to 4.28 percent in 2004-05. However, in 2005-06 the percentage share of grants for water closet in the total revenue was only 0.08 percent, which indicates decline over the previous year.

10. Grant for School

The revenue from grants for school of the Village Panchayat was Rs. 2.02 lakh in 2000-01 and it reduced to Rs. 0.70 lakh. Moreover, it was Rs. 0.06 lakh only in 2003-04. However, it was highly increased to Rs. 4.58 lakh in the year 2004-05. However, it again failed to Rs. 0.35 lakh during the period 2005-06 under study.

The percentage share of grant for school revenue to the total revenue was 5.68 percent in 2000-01, which declined to 2.23 percent in the year 2001-02 and it was highly declined to 0.08 percent in the year 2002-03. However, it increased to 6.69 percent in 2004-05. It declined to 0.35 percent in the year 2005-06.

11. Water Tap Connection Deposit

The revenue from water tap connection deposit was Rs. 0.05 lakh in 2000-01 during the period 2002-03 it was Rs. 0.03 lakh only. However, it increased to Rs. 0.30 lakh in the year 2004-05 and again it declined to Rs. 0.25 lakh in 2005-06.

Likewise, the percentage share of revenue from water tap connection deposit to the total revenue was 0.14 percent in 2000-1, which increased to 0.35 percent in the year 2001-02. However, it was 0.06 percent in 2002-03. It increased to 0.56 percent in the year 2003-04 and declined to 0.30 percent in the year 2005-06.

12. Grant-in-aid

It is very important revenue source of the Village Panchayat, which is included in non-tax revenue. Table No. 3.2 reveals grant-in-aid and its percentage share in the total revenue of Hupari Village Panchayat.

The revenue from grant-in-aid was Rs. 9.02 lakh in the year 2000-01, it declined to Rs. 5.79 lakh in the year 2001-02 and it again decreased to Rs. 3.99 lakh during 2002-03. However, in 2003-04

it increased to Rs. 17.99 lakh, which declined to Rs. 12.24 lakh in the year 2004-05. However, it increased to Rs. 21.70 lakh in 2005-06.

The percentage share of revenue from grant-in-aid was 25.35 percent into total revenue, which decreased to 18.44 percent in 2001-02 and it was just 7.49 percent in the year 2002-03. However, in 2003-04 the percentage share of grant-in-aid in the total revenue was 22.25 percent, which indicated increase over the previous year. However, it declined to 17.89 percent in 2004-05 and again it increased to 27.15 percent in the year 2005-06.

13. Miscellaneous

The revenue from miscellaneous of the Hupari Village Panchayat was Rs. 0.07 lakh in 2000-01, which increased to Rs. 0.08 lakh in 2001-02; it increased to Rs. 0.20 lakh in the year 2002-03. However, it increased to Rs. 0.22 lakh in 2003-04; it increased to Rs. 1.38 lakh in 2004-05 and declined to Rs. 0.14 lakh in 2005-06.

Similarly, the percentage share of revenue from miscellaneous items to the total revenue was 0.20 percent in the year 2001-02. It increased to 0.37 percent in 2002-03 and declined to 0.31 percent in 2003-04. However, the percentage share of revenue from miscellaneous to the total revenue increased to 2.02 percent in 2003-04 and 0.17 percent in 2005-06, which indicated decline over the previous year.

In concluding the analysis it can be said that Hupari Village Panchayat has performed well as far as tax revenue collection is concerned it could be observed that this Gram Panchayat has shown a rapid upward trend in generating tax revenue during the period 2000-01 to 2005-06.

The better performance in the collection of house tax as well as water tax, the house tax revenue increased persistently except the year 2002-03 to 2005-06. The revenue from the market tax shows fluctuations during the period under study. The income from sanitary tax was meagre which shows the need of increase in the imposition of market tax and sanitary tax will help in raising revenue of this Panchayat in future.

Similarly, the analysis of total revenue and its composition of Hupari Village Panchayat reveal that the non-tax revenue was also high. It is indicating the over dependence on the state government for the collection of revenue for the period under study. It has pushed up the non-tax revenue in volume as well as in percentage terms. However, the analysis of non-tax revenue it mainly indicates that the grant for school is very low during the period under study.

It should think over raising revenue from non-tax sources whereby volume of total revenue will increase and will help in the overall development of the village.

3.5 Tax Structure of Village Panchayat

The Village Panchayat collects their revenue through the sources of tax revenue and non-tax revenue. Tax is a very important source of Village Panchayat tax revenue.

The present study attempts to examine the tax structure of selected Village Panchayat during the period from 2000-01 to 2005-06. In this section, we discuss the types of taxes and the rate of taxes of Village Panchayat during the period under study.

Table No. 3.3 gives data regarding the tax structure and rates of taxes of the Hupari Village Panchayat taken into account during the period under study.

Table No. 3.3
Tax Structure and Rate of Taxes of Hupari Village Panchayat

Sr. No.	Type of Tax	1-4-2000 to 31-3-2005	1-4-2005 to 31-3-2009
A)	House Tax	Per 100 Sq. ft.	Per 100 Sq. ft.
1	House of Mud, Bricks, Stone	Rs. 25/-	Rs. 40/-
2	House of Stone, Bricks, Cement	Rs. 40/-	Rs. 50/-
3	House of RCC Slab (Load Bearing)	Rs. 50/-	Rs. 100/-
4	House of New RCC	Rs. 90/-	Rs. 150/-
5	House of Marble RCC	Rs. 120/-	Rs. 200/-
B)	Water Tax	Each family per year	Each family per year
1	Public (General) Water Tax	Rs. 75/-	Rs. 75/-
2	Personal Water Tax	Rs. 450/-	Rs. 450/-
3	Industrial Water Tax	Rs. 750/-	Rs. 1000/-
C)	Market Tax	Each seller	Each seller
1	Daily Market Tax	Rs. 3/-	Rs. 5/-
2	Weekly Market Tax	Rs. 3 to 5/-	Rs. 5 to 10/-
D)	Light Tax	Rs. 25 per family	Rs. 25 per family
E)	Sanitary (Health) Tax	Rs. 25/- per family	Rs. 25/- per family
F)	Rent of Gram Panchayat Place	Each seller Rs. 600/- per year	Each seller Rs. 600/- per year

Source: Official Records of Hupari Village Panchayat

A) Rate of House Tax

The house tax is a very common feature in all Village Panchayat. This type of tax mainly depends upon types of houses and it is imposed on the per 100 sq. ft. of house.

1. House of Mud, Bricks, Stone

The rate of house tax of mud, bricks, stone in Hupari Village Panchayat from 2000-01 to 2005-06 was Rs. 25/- per 1000 sq. ft. and the rate of the tax on house of mud or bricks, stone etc. increased from 2005-06 to Rs. 40/- per sq. ft.

2. House of Stone, Bricks, Cement

The rate of tax on house of stone, bricks and cement in Hupari Village Panchayat was Rs. 40/- per 100 sq. ft. in the year 2000-01 to 2004-05 and it was increased to Rs. 50/- per 100 sq. ft. from 2005-06.

3. House of RCC Slab (Load Bearing)

The rate of the tax on house of RCC Slab (Load bearing) in Hupari Village Panchayat was Rs. 50/- per 100 sq. ft. for the period 2000-01 to 2004-05 and it increased to Rs. 100/- per 100 sq. ft. from 2005-06.

4. House of New RCC

During 2000-01 to 2004-05 the rate of tax for house of RCC was Rs. 90/- per 100 sq. ft. However, it was Rs. 150/- per 100 sq. ft. from 2005-06.

5. House of Marble RCC

The rate of tax for marble RCC house of Hupari Village Panchayat was Rs. 120/- per 100 sq. ft. for the period 2000-01 to 2004-05. It was Rs. 150/- per 100 sq. ft. for the period 2005-06.

In conclusion it can be said that new rate of house tax is helpful to increase the total revenue of the Hupari Village Panchayat.

B) Rate of Water Tax

The Village Panchayat impose water tax in three forms –

1. Public Water (General) Tax
2. Personal (Private) Water Tax
3. Industrial Water Tax

Table No. 3.3 gives data regarding the rate of water tax of Hupari Village Panchayat under consideration for the period 2000-01 to 2005-06.

1. Public (General) Water Tax

The rate of the public water tax charged by the Village Panchayat was Rs. 75/- per family for the period 2000-01 to 2005-06. There is not change in new tax structure.

2. Personal (Private) Water Tax

During 2000-01 to 2005-06 the rate of personal water tax was Rs. 450/- per family per year.

3. Industrial Water Tax

The rate of industrial water tax of Hupari Village Panchayat was Rs. 750/- for the period 2000-01 to 2004-05 and it was Rs. 1000/- for the period 2005-06.

The noteworthy thing is that there was no increase in public water tax and personal water tax in new tax structure of Hupari Village Panchayat. However the industrial water tax was increased from Rs. 750/- to Rs. 1000/-.

D) Market Tax

The Village Panchayat impose tax in two forms i. e. 1) Daily Market Tax and 2) Weekly Market Tax.

Table No. 3.3 indicates the rate of market tax of Hupari Village Panchayat during the period under study.

1. Daily Market Tax

The rate of daily market tax was Rs. 3/- for each seller in the year 2000-01 to 2004-05 and it increased to Rs. 5/- for each seller in the year 2005-06.

2. Weekly Market Tax

The Village Panchayat of Hupari imposed weekly market tax, out of the Panchayat taken into account for our study. The rates of weekly market tax during the period 2000-01 to 2004-05 was Rs. 3 to 5 for each seller and it was increased to Rs. 5 to 10 for the year 2005-06.

D) Light Tax

The Village Panchayat taken into consideration for our study imposed light tax on same rate of all the houses of Village Panchayat. The rate of light tax was Rs. 25/- per house. Table No. 3.3 shows that during the period from 2000-01 to 2005-06 the light tax was same. There was no increase in the rate.

E) Sanitary (Health) Tax

The sanitary (health) tax was levied by this Village Panchayat was Rs. 25/- per house of Hupari Village Panchayat. There is no change in sanitary tax from 2000-01 to 2005-06.

F) Rent of Gram Panchayat Place

The Village Panchayat imposes Rs. 600/- per year for each seller as a rent of Gram Panchayat Place, which did the sellers for building shops own.

In concluding the analysis, we can say that the maximum and minimum limits of tax rates fixed by the 1958 Act taking into account economic conditions and responses of the citizens in the Village Panchayat have fixed rates of the taxes.