**20% rate hike in ready reckoner for posh areas**

**Rajshri Mehta TNN**

Mumbai: The state government has increased the ready reckoner (RR) rates for residential and commercial properties by up to 20% in municipal corporation areas of Pune, Thane, Navi Mumbai and Mumbai from the New Year.

RR rates have been increased by over 20% in only 26 zones of the total 737 zones into which Mumbai is divided. The increase in rates mostly affects select tony areas like Worli, Napeansea Road, Altamount Road and Carter Road. In 2012, the government had increased RR rates by a maximum 30%.

RR is an annual statement of property rates based on which the stamps and registration department collects stamp duty from property buyers. The government intends to garner over Rs 20,000 crore in 2013-14. **New RR rates will tax property buyers more**
Mumbai: Tax collection through stamps and registration is the highest source of revenue for the state.

The real estate sector and the ruling and opposition parties had strongly opposed any rise in ready reckoner rates due to the current economic slowdown and deteriorating financial condition of the sector. Property buyers would have to shell out more, as based on the revised RR rates, they would also have to pay higher value added tax, service tax and stamp duty.

Senior town planning officials said the hike in RR is not much compared to the property rates in the open market and contrary to the perception that the economic slump had slowed down property transactions. “Mumbai in fact, saw an increase in the registration of property documents. Over 2.07 lakh property documents were registered from January to November 2013 against 1.98 lakh documents for the same period in 2012. The reason for the hike in registration numbers could be the recent new change in income tax rules of valuing property as per RR rates. Consumers may have seen a benefit in registering their property,’’ said an official.

Amin Patel, Congress legislator from south Mumbai, said, “I had written a letter to chief minister Prithviraj Chavan requesting that the government not hike RR rates in the current prevailing economic condition as it will ultimately have a negative impact on property buyers. I had hoped the government would change its mind.’’

**20K cr stamp duty**

During 2008-09, the income from stamp duty was Rs 8,384 crore. The figure rose to Rs 10,901 crore in 2009-10 (30% rise), Rs 13,411 crore in 2010-11 (23% rise) and Rs 14,800 crore in 2011-12 (10%). The collection grew to over Rs 17,000 crore by the end of FY 2012-13. In 2013-14, the government expects to garner over Rs 20,000 crore through stamp duty collection. TNN