

## THE REFORMS REQUIRED



**In order to manning and equipping these boards with powers and duties and to make them really useful for all villages, towns, cities and metros through out India , following constitutional amendments and/or policies will be required :-**

### Constitutional amendments needed

Revamping needs fundamental changes in the political structure and in functions of various ministries , of which the following can be brought only by amending the constitution of India :-

- All Chief minister offices to be converted into a state office of Central Home Ministry- headed by the Chief Ministers. The function of theses offices will be –
  - Formation of civic centers in the state;
  - To monitor & regulate the functions and activities of civic centers of the state;
  - To decide about matters commonly affecting the state and to pass on the decisions taken to concerned CC(s) for implementation.

- To formulate policy on matters affecting various areas referred to by CCs for decision.

### **ADVANTAGES :**

The CCs being near to public will be able to provide one to one touch to the individuals and thus the downtrodden and poor of the area will be identified by them to be taken care of. They will also be able to supervise the contracts awarded and to infuse public- discipline. The encroachments will be a history.

- All elected MLAs be made part of the civic centre Board of their area as representatives of the public. IAS/IPS/IRS officers nominated by Home Ministry will be the other part of the Board.
- The civic centre be given powers to collect a uniform tax from inhabitants/owners living in their area based on their residence/shops/godowns/factories or other establishments. As a result the revenue collection source of Ministry of finance will change from public to CC . A percentage of collections at CC will go to the Finance ministry( or to Finance department of Home ministry and thus there will not be any need of finance ministry). A new tax code be formulated for –
  - Abolishing all the current taxes and introducing a single point taxation system based on census by CC of their area.
  - Collection of taxes by a CC from its area ;
  - Disbursement by finance ministry (or from finance department of Home Ministry) to other departments of Home Ministry and to other ministries and/or to offices of national importance established in their state ( which,

in turn, can also be looked after by CC under which they lie) ;and

- Intra CC transfer of funds

## ADVANTAGES

This amendment will neutralize the ill effects of centralized pooling of taxes and funds. Also a person owning property in different areas will have to shell tax on all. A portion, say 50% , of taxes collected will always be available with CC for meeting the demands/requirements of the area and thus its services will be prompt. Further, when people of an area are aware of where their taxes are going, they can press for transparency which inturn will lead to accountability on the part of CC personnel .

## **Policy measures needed**

### **To accommodate staff of revenue collection departments-**

- All permanent staff of revenue collection departments of a state as well as of the centre that becomes surplus as an outcome of changes in revenue collection set up shall be deputed to civic centers of the area where he/she resides or to nearby civic centre as per need.

### **To merge surplus technical and administrative staff of all the local bodies in the staff of civic centers**

- All the permanent and contractual staff of municipalities and other local bodies be sorted area wise ( based on permanent residence) and be accommodated in the CCs of their area

### **To check inter-state transfers and to minimize intra-state transfers**

- A policy to appoint only locals from among the list of residents available with CC in order to make appointments user-friendly.

## **To document a Civic Services Act specifying the functions of civic centres regarding following –**

### **Immediate one time functions-**

#### **1. Construction and/or Rehabilitation etc. –**

In states - Govt. has many buildings, which will become available for CCs and so can be directly handed over to them under a plan/policy. A CC itself will have to undertake construction/renovation or rehabilitation of the following -

##### In metros and tier –I cities

- of Parkings, toilets/urinals, Wedding/function centres, vocational training centres ,Old age/ destitute/orphanage/ trauma or the like .
- rehabilitation of local jhuggi/rough house dwellers, who have permanent residence in the area, in the accommodation provided in the form of Govt. flats including those acquired from the members of the public having surplus residences.

##### In villages/small towns –

- Firstly arranging for sewerage and electricity,
- Then construction of one BR houses for all Jhuggi Dwellers free of cost,
- Then construction of community centres and vocational training centers where residents( chosen lot wise) of haphazardly built houses can be shifted temporarily,
- Then constructing houses for them by demolishing their multiform structures and allotting them

uniformly-built ones. This will systematize the geography of the village and the roads will be straight.

- Lastly it will have to concentrate on construction / rehabilitation etc. of schools, dispensaries, hospitals , parkings etc. as per the need of the area.

### **ADVANTAGE**

This will change the face of the country that should look good to live anywhere and be seen by the world community as a destination of the HAVES and not the HAVE-NOTS.

**2. Taking a census of the area and then shifting the migrants to their home towns** by providing means of earning and living at their native/Home/chosen/sparsely-populated places. This is possible because all the villages /towns will be developing and the **People will like to return to their home town/area chosen by them.** This step will also help in controlling the greed hidden in the tenancy concept which at present is a tax free source of earning for many, responsible for illegal constructions and many other social evils, like idleness of the property-owners(rent being their source of income).

After a duly organized census, the CC will have a list of all the residents/occupants of the area along with the detailed Bio-data of each house/business/land owner of the area and their assets prescribed for taxation..

### **ADVANTAGE**

The masses and their activities will be controllable and policies for upliftment of the poor then will be really meaningful and successful.

## **Recurring and concurrent functions**

### 1. Rehabilitation of needy locals –

All **idle persons/hawkers/ pavement shopkeepers/dwellers** be identified in order to train/guide them according to their aptitude. Even masons, labourers, cobblers, presswallahs, bouquet makers, flower shops, stitching shops, pan shop owners need training, guidance in road manners and an appropriate place to work. The surplus vacant shops in shopping centers and commercial complexes can be recouped/ acquired and allotted to them under a plan.

The young **pavement squatters** can easily be accommodated as “Road supervisors” of the area. Similarly those who are weak in studies can be shifted to vocational training centers.

The **surplus of one area** can always be asked to shift if they get job and residence in other area free of cost.

## **ADVANTAGE**

The trained illiterates will be useful for many constructive works and also help as a step to check the crime.

### 2. Maintenance –

- of all Roads/pavements including daily cleaning,
- of all dustbins (should be secured and in plenty like on Mata Vaishno Devi Path in Katra, J&K),
- Cleaning of Urinals and toilets daily
- of all parks and horticulture on roads;
- of all shopping centres

- of all Govt. establishments.
- of all sewerage and drainage systems in coordination with water Deptt.
- of all electrical poles and Red Light signals in coordination with Electricity Boards & Traffic deptts.

### **ADVANTAGE**

The people of the area will get regular and prompt service and immediate response to their maintenance complaints.

### 3.Supervision –

- of contracts awarded (RWAs or residents can be involved for this) to check quality during execution itself,
- of Roads and parks to check encroachments in the very initial stages ,
- of public behaviour to control road habits(persistent violators can be reported to the police),
- of availability of police and legal services in the area,
- of all schools , coaching centres and colleges in the area
- of functioning of dispensaries/hospitals of the area,and
- wherever needed like –whether free meal being supplied is of good quality.

### **ADVANTAGES**

- The quality of work executed by contractors will be up to the mark.
- The encroachments will vanish.
- The public will inculcate a sort of self-discipline and act decently on already clean and decorated surroundings.

- When amenities in the schools and educational aids are funded by the CC, they will maintain discipline and control over stocks. The availability and behaviour of teachers will also be under check.
- When funding of consumables/medicines required in dispensaries/hospitals etc. is done by the CC, the manipulations in their stock and quality would be avoided. The availability and the behaviour of the Medical and para-medical staff will also be under check

4.Census - of all the new owners /occupants of the area i.e., regular updation of the original census of population and properties,e.g., details of vehicle purchases can be had from RTOs, that of Land purchases- from the Office of the Registrars, and above all by personal visits,

Or alternatively, all new openings/acquisitions in the area can be routed through CCs with strict punishment for non- licencing/reporting.

### **ADVANTAGE**

The regular census will help in taxation of all eligible persons and properties under new tax code.

5. Liaison – with all the centrally controlled departments rendering their services in the respective states for giving time bound services to inmates of the area like-

- sending data of residents for UID nos.,
- verifying data of applicants of passport, Election I- card , driving licence and other such instruments ,



- providing list of requirements/surplus to Food Department or petroleum ministry or like for import/export of foodgrains ,petrol , pulses/ Atta or any other item short in country.
- verifying land registration applications,
- verifying particulars of applicants wherever needed.

The rules can be framed for liaison with Police, law Ministry, SEBI, CAG ,ICAI,ICSI ,AICTEC, Medical/Ayurvedic/Unani councils and the like. Land development authorities can assist in developing lands in the area against a charge. Similarly hoardings and data stations/towers, satellite receivers can be regulated.

Liaison with other CCs will also be important for instilling coordination among CCs for any common work affecting two or more CCs. The CCBs may have an apex body in a state that may be designated as the State Civic Centre Board(SCCB) for the purpose.

### **ADVANTAGE**

This function of CCs **will reduce the burden of the Govt.** hitherto massively involved in verifying details filed and thus facilitate **the much talked about one – window service** which only a professional set up normally found in the private sector can provide.

6. Tax collection – This function is the **essence** of all the aforesaid revamping exercise for improving the civic service system.

Non- availability of funds in time is the basic bottleneck of the present system.

The collection rules can be laid down so that funds may remain available with CCs for all their functions throughout the year.

The collection can be done on the basis of a ‘New Tax Code’(may be called ‘NTC’) , the basic ingredients of which ,based on the principles of one point taxation, can be the following :

<b>Basis of tax</b>	<b>Rate</b> (Rs.)	<b>Periodicity</b>	<b>Payer</b>
<b>Assets –</b>			
• Land area(vacant or commercial)			
- upto 50 sq. m	Nil	-	Owner
- 50 sq. m to 150	10,000	y early	“
- 150 sq.m to 500	20,000	“	“
- above 500 sq. m	50,000	“	“
• Agricultural Land/Farm	10,000 per		
House	Acre	“	“
• Residential floors/Office spaces			
- 250 sq. ft.	Nil	yearly	Owner
- 250 to 800	5,000	“	“
- 800 to 1500	10,000	“	“
- 1500 and above	20,000	“	“
• Vehicles – Cars/Jeeps			
	10,000 per car	yearly	Owner
- Scooters/Bikes	1500 per scooter	“	Owner
- Tankers/Tempos/ Trucks & others	20,000 per item	“	“

Turnover – This basis will need a strict system of keeping bills for each transaction which can be controlled by the accounts auditors of the area . The monthly bills verified by an auditor and units randomly checked by the CC supervisor will form the basis of such taxation which can range from 2% to 5% on a monthly basis depending on the nature and size of business – retail/ wholesale/ manufacturing , trading or service unit. In case of an agent, brokerage/commission will be the turnover.

Regular census will help in keeping check on evaders. Present STT(on share transactions) and CTT(on commodity transactions ) and the like may continue as these transactions involve foreign investors also. In case of aided institutions , due exemptions can be given.

### ADVANTAGE

The tax **collections will be much much higher** as compared to that in present self assessment and then search, survey system. **When the use of taxes is under the vigilant eye of the taxpayer, he will feel pride in paying the taxes** and also can force for accountability and transparency that will check corruption ultimately. The **office bearers of the CCs being local will always be under moral check** of their neighbors etc. This system will **also act as a deterrent to unwarranted investments** e.g keeping more than one flat/plot will be burdensome.

### AN EXAMPLE -

Mr. A owns a two floor house of 250 sq. mtr, two cars, one scooter, a business premises of 1000 sq. ft. having turnover of Rs. 5 lacs per month via bills and 5 lac in cash at area X, three plots of 200 sq.yards at Area Y-one in his own name ,one in the name of wife and one in the name of a relative and one Farm House of 3 acre at area Z. After expenses he shows yearly income of Rs. 4,00,000/-.

Considering present direct & indirect taxes about 45% of income is paid as taxes viz. 1,80,000/- (via VAT, service tax , custom duty and income tax). On an estimate Mr. A's actual monthly income must be around Rs. 1,00,000/- plus beside windfall profits.

Under New Tax System , Mr. A will pay taxes as follows :-

At Area X - For Cars -	20,000
For Scooter –	5,000
For Res. House-	10,000

	For Business Premises -	10,000
	On Business turnover	
	of Rs. 120 Lacs @ 3%-	3,60,000
At area Y -	For two plots	40,000
	- For one plot relative	20,000
	(indirectly he will pay) –	
At area Z –	For Farm House	30,000
		-----
	Total tax	4,95,000

But for a small shopkeeper with one house , the burden will be much less. Moreover his/her problems like Big family can be solved by the civic centre.

Further the tax paying units will increase and thus tax collections will be sufficient to develop a social security fund to invest on the illiterates and the poor.

Also after paying above taxes under NTC Mr. A will be free from the tension created by confusion arising from Billed or not billed (white/black) transactions. The CC will also have a concrete and straight method of tax collection. In times of insolvency/crisis like situation CC will always be there to help him or his family **via a social security fund.**

7. Tax Disbursements – This function assumes significance on two counts- First the needs of central ministries and state offices of Home Ministry will have to be met out of collections from CCs and secondly make-up for the shortfalls in many areas shall be possible to meet out their development requirements.

Therefore disbursements rules will have to be framed in such a manner that **surplus at one CC and with Finance Ministry(or Fin. Deptt. Of Home Ministry) should always be available for another cash-strapped CC.**

---- JAI HIND ----

