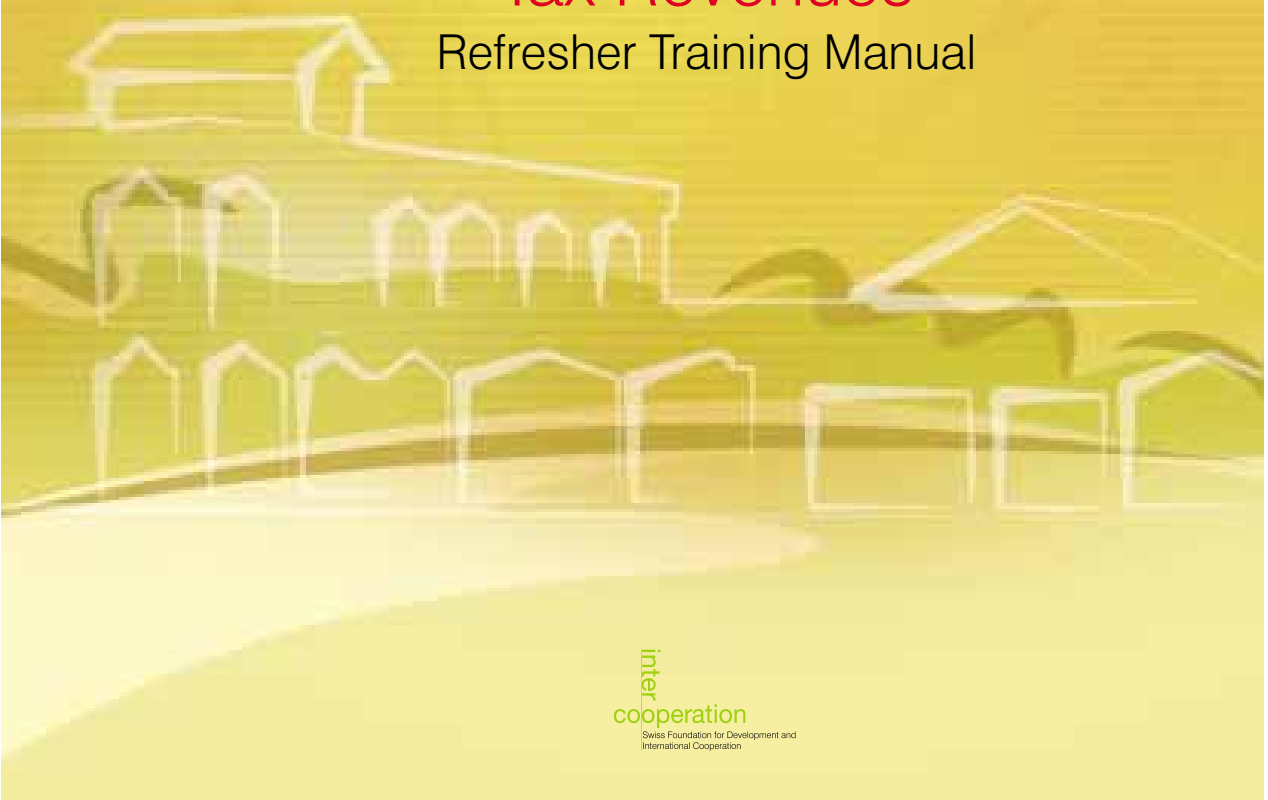




Union Parishad Tax Revenues

Refresher Training Manual





Union Parishad Tax Revenues Refresher Training Manual

The use and sharing of information contained in this document is encouraged, with due acknowledgement of the source.

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Preface

Union Parishads are mandated to assess and collect local tax revenues. However, it has been observed that in practice many Union Parishads are not exercising their authority or responsibilities fully in this area. There seems to be two main factors behind this state of affairs. Firstly, many Union Parishad representatives seem to think that by levying local taxes to the full possible extent, they risk losing their popularity and future electability. Secondly, local elected officials are not all equally familiar with the rules for assessing and collecting taxes.

Against the above general backdrop, however, there are also some Union Parishads that have successfully increased their tax revenues without necessarily becoming less popular. Their experiences show that citizens are quite happy to pay their share of local taxes as long as they are convinced that they would get good services in return. What citizens are interested to know is the basis on which taxes are levied, and how the tax revenues collected are spent. Clearly, what is important is that the functionaries of Union Parishads have adequate knowledge of the rules and procedures for assessing and collecting tax revenues. This training manual has been developed to serve as a refresher in this regard.

This refresher was first field tested with Bakshimoil Union Parishad of Mohanpur Upazila in Rajshahi. We are grateful to the Chairman and other officials of this Union Parishad for their cooperation and useful feedback. Subsequently, two rounds of TOT were organized at IDSL, Dhaka for selected project staff and UP secretaries, whose feedbacks also helped refine the manual. Our thanks to all such persons as well as others who have contributed to the development of this manual.

We have also published a Bangla version of this manual which we hope will help facilitators refresh local participants' knowledge on UP tax revenues. The present English version is being published with the hope that it will serve as a useful reference document to a wider circle of local governance practitioners. Any suggestions regarding how such a manual could be further refined or made more user-friendly would be most welcome.

National Coordination Unit

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Dhaka

September 2009

1. Introduction

Own-source revenues of the Union Parishad are limited to a few locally-raised taxes. Nevertheless, since there is a strong link between taxes paid and benefits received, these own-source revenues can provide a very effective and accountable Union Parishad - citizen relationship. The link between own-source revenues and accountability is dual. Dependence on own-source revenue promotes accountability and high levels of accountability also make citizens more willing to pay for services.

Furthermore, when there are effective mechanisms in place to enable interaction between the Union Parishad and its citizens, the citizens are better able to communicate their preferences to the Union Parishad and the Union Parishad can respond better to these. The results of this are on the one hand that the Union Parishad provides more relevant and quality services, and on the other hand that own-source revenues increase as citizens are more willing to pay for the services received.

To achieve this ideal situation it is crucial that Union Parishad revenue generation is transparent. Citizens must trust the Union Parishad.

Tax compliance, therefore, has to be seen as being stimulated by shared values and moral commitment, rather than by purely economic determinants.

There is a danger that Union Parishads view taxation too narrowly, namely as an extractive instrument, rather than as a way to build permanent links between the Union Parishad and its citizens. It is therefore not surprising that taxpayers often feel exploited and dissatisfied with service delivery when taxes are levied in an arbitrary and coercive manner. This undermines the legitimacy of the Union Parishad and increases tax resistance. Tax coercion works against local accountability, since it promotes the use of non-voluntary and extortive mechanisms of tax enforcement.

Instead of using coercive powers, Union Parishads will need to familiarise citizens with the concept of fairness to stimulate tax compliance and invoke moral commitment. In a society like Bangladesh where moral commitment cannot be expected to be achieved overnight, it might be important to base the tax collection system not solely on voluntary compliance but on quasi-voluntary compliance. This is a system whereby citizens choose to pay taxes voluntarily, but coercion is used against those who do not comply. This system should also make sure that the Union Parishad - citizen relationship is not harmed.

This training manual is designed to refresh and deepen the Union Parishad's understanding of Union Parishad taxes and provide practical exercises which should enable it to increase its tax collection.

2. Objectives of Training

This training should increase the capability of the Union Parishad to perform its assigned roles and enhance the transparency and accountability of this institution.

More specifically the training aims to:

- ▶ refresh participants' knowledge of Union Parishad tax revenues.
- ▶ develop strategies to increase Union Parishad tax revenues through a transparent and accountable process.
- ▶ draw up a comprehensive plan to improve assessment, collection, documentation and monitoring of Union Parishad tax revenues.

3. Participants and Facilitators

The main audience for this training is the Union Parishad, since it is their mandate to assess and collect local taxes. Apart from the Union Parishad chairman and members it is important that the co-opted members of the Union Parishad Standing Committee on Finance and Establishment and Audit and Accounts also take part because these two Standing Committees are supposed to play an important role when it comes to financial matters of the Union Parishad. Finally, the Union Parishad Secretary who is in charge of the Union Parishad's administration should also take part.

Facilitation of the training should be done by a trained and experienced person, e.g. a specialist Field Facilitator of an NGO. As co-facilitator one could consider a Union Parishad Secretary from a different Union than the one for which the training is conducted.

4. Overview of Training

Day 1 (Total 6 hours 20 minutes)

- Welcome and introduction to the training (40 minutes).
- Union Parishad taxes (1 hour 50 minutes).
- Increasing UP income from UP taxes on buildings and land (part I) (2hours 10 minutes).
- Increasing UP income from UP taxes on buildings and land (part II) (1hour).
- Next steps and closing of first training day (30 minutes).

Day 2 (Total 5 hours) - Held after about two weeks following Day 1

- Welcome and introduction to second part of the training (20 minutes).
- Review of buildings and land (holding taxes) taxes assessment, recordkeeping and monitoring process and open ward meeting's outcome (1 hour).
- Review of collection, recordkeeping and monitoring strategy for buildings and land taxes (holding taxes) (30 minutes).
- Other Union Parishad taxes - an overview (40 minutes).
- Developing a strategy for assessing, collecting, recordkeeping and monitoring of other UP taxes (1 hour 30 minutes).
- Review of training, next steps and closing (1 hour).

5. Before the Training

- ▶ Clarify the objectives and the process of training with the Union Parishad chairperson in a prior meeting with him/her. Request the chairperson to invite the target participants to the meeting and arrange logistics like venue, tea and lunch etc.
- ▶ Get well acquainted with the training manual, the notes provided in it as well as with the relevant government laws and guidelines - especially the Union Council (Taxation Rules, 1960; the Union Parishad Model Tax Schedule, 2003 and the Guideline on Union Parishad Tax Assessment and Collection strategy, 2003.
- ▶ Prepare the necessary posters and materials needed for the training.

6. Session Plan

Day 1

Session 1: Welcome and introduction to the training (40 minutes)

Objective:

This session aims to set a good environment for the training and to introduce the contents and objectives.

Welcome and self-introduction (10 minutes)

- Invite UP Chairperson to welcome the participants and to explain why the UP has requested this training.
- If participants are not known to each other, ask them to introduce themselves by mentioning their name and which ward they represent.

Participants' expectations (10 minutes)

- Give participants an opportunity to voice their expectations in regard to the training what they would like to learn and to achieve as a result of the training.
- Document the expectations on a poster paper and display them.

Introduction to training objectives and programme of the training (20 minutes)

- ▶ Invite one participant to read out the training objectives¹ and training programme² displayed on two separate poster papers.
- ▶ Make a link to the participants' expectations. Explain what expectations may be covered in this training and how other expectations will be dealt with (e.g. in other trainings).

Session 2: Union Parishad taxes (1 hour 50 minutes).**Objective:**

This session aims to refresh the participants' understanding of the purpose of UP taxes and the different taxes the UP is eligible to levy. Furthermore it aims to start a thinking process on how revenues from taxes may be increased.

The different income sources of a Union Parishad (20 minutes)

- ▶ Share objectives of the session.
- ▶ Ask participants what the different income sources of a UP are.
- ▶ Document the answers on cards.
- ▶ Group the answers into the following categories: Union Parishad's own revenues and resources, Discretionary grants from GoB, Discretionary grants from donor-funded programmes, Conditional transfers from GoB, Conditional grants from donor-funded programmes³.
- ▶ Ask participants which of these income sources the Union Parishad can directly influence. Then explain that since own revenues and resources is the only category the Union Parishad has influence over, it is this category the Union Parishad can do something about to increase their income.
- ▶ Explain that this training will concentrate on Union Parishad taxes, since they contribute the most to Union Parishad's own revenues and resources.

¹ See note A1.1 'Training Objectives'

² See note A1.2.

³ See note A2.1 'Different UP income sources'.

⁴ See note A2.2 'Possible answers to the question why the UP would need to levy taxes'.

The rationale for levying taxes by the Union Parishad (15 minutes)

- ▶ Prepare a poster paper with the question 'Why would a Union Parishad need to levy taxes?'
- ▶ Let participants give their answers and document them on a poster paper⁴. If necessary supplement with additional reasons and let participants discuss these.

Different taxes the Union Parishad is eligible to levy (25 minutes)

- ▶ Ask participants to give examples of items on which the Union Parishad is eligible to levy taxes.
- ▶ Request participants to write the answers on cards and cluster them into the six categories given by the Union Parishad Model Tax Schedule 2003.
- ▶ Present the different categories of Union Parishad taxes and give additional examples⁵.

General ideas to encourage people to pay taxes (20 minutes)

- ▶ Ask participants "Do you think people are reluctant to pay taxes? If yes, what would encourage people to pay taxes?"
- ▶ Document the answers on a poster paper. Make additional suggestions and let participants discuss these suggestions⁶.

Recovery of arrears (30 minutes)

- ▶ Prepare a poster paper with two columns. Head one column with the question 'What does the Union Parishad do to realise arrears?' and the other with the question 'What else could be done to realise arrears?'
- ▶ Ask participants to give answers to the first question and then to the second one. Note the answers on the poster paper.
- ▶ Provide additional suggestions if necessary⁷.
- ▶ Conclude session with a summary.

Session 3: Increasing Union Parishad revenues from taxes on buildings and land (part I) (2 hours 10 minutes)**Objective:**

This session aims to enable the Union Parishad to draw up a strategy for increasing the Union Parishad's revenues from Union Parishad taxes on buildings and land (holding taxes). The first part concentrates on the *assessment* of taxes on buildings and land.

⁴ See note A2.2 'Possible answers to the question why the UP would need to levy taxes'.

⁵ See note A2.3 'Categories of UP taxes with examples'.

⁶ See note A2.4 'Possible ideas for encouraging people to pay taxes'.

⁷ See note A2.5 'Specimen answers to the question what (else) could be done to realise arrears'.

Activities related to levying holding taxes (15 minutes)

- ▶ Share objectives of session, mentioning that the focus of this session will be on Union Parishad taxes on buildings and land, which is the largest source of Union Parishad tax revenue. Other taxes will be discussed in later sessions.
- ▶ Share with the participants the major activities⁸ in regard to increasing Union Parishad income from holding taxes and ask participants to give some examples for each category (consider the general suggestions made in session 2).

Assessment of Union Parishad taxes on buildings and land - the theory (25 minutes)

- ▶ Share with participants that tax assessment is the basis to increase Union Parishad income from holding taxes and a correct and transparent assessment is therefore crucial.
- ▶ Ask participants “Can anybody tell us how holding taxes are assessed?” Give time for people to respond.
- ▶ Make a supplementary presentation⁹.

Assessment of Union Parishad taxes on buildings and land - the practice (50 minutes)

- ▶ Inform the participants that they will now have to visit some nearby households to collect necessary information to assess their holding taxes. Brief the participants in regard to how they should conduct their visit and what information they need to collect¹⁰.
- ▶ Divide the participants into groups of four and give them 30 minutes to collect the necessary information and calculate the holding taxes based on that.
- ▶ After returning from the household visits and calculation of tax assessments ask each group to share their experiences regarding the household visit, the calculation and the result of the assessment. Make corrections and give clarification where needed.

Developing a plan for assessing the Union Parishad taxes on buildings and land*(40 minutes)*

- ▶ Ask participants to develop a plan for assessing Union Parishad taxes on buildings and land since the assessment is the basis for subsequent tax collection. For this prepare on a poster paper a planning matrix¹¹ for holding tax assessment, documentation and monitoring and fill it in during the plenary.
- ▶ Explain to the participants the proposed open ward meeting to share the tax assessment results with the public; the purpose, participants and intended outcome and the preparatory work that needs to be done¹².
- ▶ Conclude with a recapitulation of the session.

⁸ See note A3.1 'Major activities in regard to increasing holding tax revenues'

⁹ See note A3.2 'Holding tax assessment procedures'

¹⁰ See note A3.3 'Briefing for household visits to collect information for holding tax assessment'

¹¹ See note A3.4 'Planning matrix - holding tax assessment documentation and monitoring.'

¹² Brief participants as mentioned in handout A3.5

Session 4: Increasing Union Parishad revenues from taxes on buildings and land - (part II) (1 hour)

Objective:

Same as of part I, however, the focus will be particularly on issues related to holding tax collection and documentation.

Activities related to the collection and documentation of taxes on buildings and land*(30 minutes)*

- ▶ Ask participants to suggest different activities that are needed in regard to collection and documentation of Union Parishad holding taxes.
- ▶ Supplement the participants' ideas with additional ones¹³.

Develop a plan for collection, documentation and monitoring of Union Parishad taxes on buildings and land (30 minutes)

- ▶ Based on the above ask participants to develop a plan for collection, record keeping and monitoring of Union Parishad holding taxes using the matrix provided¹⁴.
- ▶ Conclude with a recapitulation of session learnings.

Session 5: Next steps and closing of day one (30 minutes)

Objective:

This session will help to agree on the immediate actions to be taken by the Union Parishad. It will also give participants an idea about what will follow in the second part of this training and it will help to review the key learnings of the first half of the training on Union Parishad tax revenues.

Immediate actions to be taken, outlook and review of the day (20 minutes)

- ▶ Remind the participants about the immediate steps that need to be taken¹⁵.
- ▶ Review the major learnings of the day by inviting participants to share what they have learned
- ▶ Share with participants the content of the second part of the training on Union Parishad tax revenues¹⁶

¹³ See note A4.1 'Required activities regarding collection and documentation of UP holding taxes'

¹⁴ See note A4.2 'Planning matrix in regard to holding tax collection, recordkeeping and monitoring'

¹⁵ The basis for the steps that need to be taken is the elaborated tax assessment plan

¹⁶ Refer to the training programme displayed in the venue

Closing of day 1 (10 minutes)

- ▶ Invite a Union Parishad woman member to thank all and formally close the first day of the training.

Day 2**Session 1: Welcome and introduction to second part of the training (20 minutes)****Objective**

This session intends to set a good environment for the training and to introduce the contents and objectives of the second training day on Union Parishad tax revenues.

Welcome and introduction to the programme of day 2 (20 minutes)

- ▶ Invite the Union Parishad Chairperson to welcome the participants, remind them of the objectives¹⁷ of the training and give an overview of the programme of the second training day¹⁸.

Session 2: Review of holding tax assessment and open ward meeting (1 hour)**Objective:**

This session intends to review the process of assessing holding taxes in a ward and the open ward meeting that is designed to share the assessment results with the public.

Review holding tax assessment, record keeping and monitoring (30 minutes)

- ▶ Display planning matrix¹⁹ prepared during the first day of the training regarding holding tax assessment, recordkeeping and monitoring.
- ▶ Review with participants how they conducted the assessment, how they recorded the assessment data and how they monitored the assessment. Ask participants about the obstacles they encountered and how they have overcome them.

Review of open ward meeting (30 minutes)

- ▶ Ask participants how they felt about the open ward meeting which was held recently in one of their wards to present and discuss the holding tax assessment results. Let participants give their feedback in regard to what they felt were the strengths of the meeting / what went well, and in regard to what were the weaknesses of the meeting / what did not go well. Record the answers and discuss them in the plenary.

¹⁷ See note A1.1

¹⁸ See note A1.2 'Training programme (day 2)'

¹⁹ Planning matrix was developed in session 3 of day 1 (note A3.4).

- ▶ Ask the participants what they would do differently in the next ward meeting and request them to document their individual suggestions on cards.
- ▶ Collect the cards and cluster them into categories like "pre meeting/preparation" "the meeting itself" and "post meeting".
- ▶ Facilitate discussion and encourage participants to come to an agreement on what to do differently in the coming open ward meetings.
- ▶ Conclude with a recapitulation of session learnings.

Session 3: Review of developed plan for collecting, recordkeeping and monitoring of holding taxes (30 minutes)**Objective:**

This session will help the participants to review the plan they developed earlier in regard to collecting, documentation and monitoring of holding taxes based on the feedback received in the open ward meeting.

Review of collection, recordkeeping and monitoring strategies of building and land tax (30 minutes)

- ▶ Display the developed plan²⁰ and the suggestions made in the open ward meeting²¹ and ask participants which of the suggestions they wanted to incorporate in the plan and what other suggestion they have to improve the plan.
- ▶ Adapt the plan accordingly.

Session 4: Other Union Parishad taxes - An overview (45 minutes)**Objective:**

This session will give the participants an overview of the many different taxes the Union Parishad is eligible to levy apart from taxes on buildings and land. It will also introduce them to the basic process of assessment, collection and documentation of these taxes.

Review additional sources of taxes apart from holding taxes (45 minutes)

- ▶ Ask participants to mention the other categories of taxes the Union Parishad is eligible to levy apart from holding taxes. List the additional five categories of Union Parishad taxes²² and let participants give examples for each category.
- ▶ Give additional examples and mention examples of the rates²³.
- ▶ Check the participants' understanding by asking questions and conclude the session.

²⁰ This refers to the plan developed in session 4 day.

²¹ Prepare a poster using ward meetings suggestions related to tax collection.

²² See note B4.1 'Other categories of UP taxes'

²³ See B5.1 for UP Model Tax Schedule 2003 rates.

Session 5: Developing a plan for assessing, collecting, recordkeeping and monitoring of other Union Parishad taxes (1 hour 30 minutes)

Objective:

At the end of this session the participants will agree on a plan for assessing, collecting, documenting and monitoring non-holding taxes of the Union Parishad.

Develop a plan to assess, collect, document and monitor non-holding Union Parishad taxes (1 hour 30 minutes)

- ▶ Distribute an extract from the model tax schedule to the participants, which lists all the different non-holding taxes including the rates²⁴. Also distribute an example of a holding tax assessment, collection and recordkeeping plan²⁵ to all participants.
- ▶ Divide the participants into four groups. Two groups will work on developing a plan²⁶ for taxes on profession, trade & commerce and artisan trades and taxes on advertisements. The other two groups will develop a plan for taxes on cinema and audio-visual shows, taxes on transport and taxes on different fairs.
- ▶ Assist the groups in their work to design a comprehensive strategy for the different kind of Union Parishad taxes.
- ▶ At completion of the group assignment invite one member of each group to present the proposed strategy.
- ▶ Through deliberations in the plenary and by cross-checking with relevant GoB guidelines²⁷ arrive at a final strategy for all of the remaining five categories of Union Parishad taxes.

Session 6: Review of training, next steps and closing (1 hour)

Objective:

The aim is to remind participants of what they have learnt, to give them a chance to voice their opinion regarding the usefulness of the training and to have a clear idea about what the Union Parishad will be doing in regard to taxes in the near future.

²⁴ See note B5.1 'Non-holding UP taxes and their rates'

²⁵ See note B5.2 'Specimen holding tax assessment, collection, documentation and monitoring plan'

²⁶ See note B5.3 'Planning matrix for non-holding taxes'

²⁷ Use note A2.4 and A2.5 as reference documents

Review of training (15 minutes)

- ▶ Let the participants share the major issues covered in the two-day training.

Feedback on usefulness of training (30 minutes)

- ▶ Prepare a poster paper with two mood-meters²⁸, one in regard to the general level of satisfaction with the training and the other with the question whether the participants now feel confident to implement the strategies for the different taxes.
- ▶ Let the participants give their score anonymously by indicating it with a tick.
- ▶ Discuss the feedback in the plenary.

Next steps and closing (15 minutes)

- ▶ Assure the participants that the Union Parishad can contact the project at any time for on-the-job support in regard to implementing the tax strategies developed.
- ▶ Let the Union Parishad chairman explain what the immediate next steps of the Union Parishad will be and let him/her close the workshop formally.

7. After the Training

The Field Facilitator, assigned to the respective Union, will be responsible for following up the progress the Union Parishad makes in regard to levying Union Parishad taxes in a fair and transparent manner. Accompanying support will be needed as Union Parishad members cannot be expected to remember all the details of the training and as they may encounter different challenges as they go about assessing and collecting the different Union Parishad taxes.

²⁸ Note B6.1: Mood Meter

Note A1.1: Training Objectives (Session-1, Day-1)**Training Objectives:**

- ▶ Refresh participants' knowledge about Union Parishad tax^{xxix} revenues.
- ▶ Develop strategies to increase Union Parishad tax revenues through a transparent and accountable process.
- ▶ Draw up a comprehensive plan to improve assessment, collection, documentation and monitoring of Union Parishad tax revenues.

Note A1.2: Training Programme (Session-1, Day-1)**Overview of Training****Day 1**

- ▶ Welcome and introduction to the training (40 minutes).
- ▶ Union Parishad taxes (1 hour 50 minutes).
- ▶ Strategy for increasing Union Parishad income from Union Parishad taxes on buildings^{xxx} and land (part I) (2 hours 10 minutes).
- ▶ Strategy for increasing Union Parishad income from Union Parishad taxes on buildings and land (part II) (1 hour).
- ▶ Next steps and closing of day one (30 minutes).

Day 2 [Held after about two weeks following Day 1]

- ▶ Welcome and introduction to second part of the training (20 minutes).
- ▶ Review of buildings and land (holding taxes) tax assessment, recordkeeping and monitoring process and open ward meeting's outcome (1 hour).
- ▶ Review of collection, recordkeeping and monitoring strategy of buildings and land taxes (holding taxes) (30 minutes).
- ▶ Other Union Parishad taxes - an overview (45 minutes).
- ▶ Developing a plan for assessing, collecting, recordkeeping and monitoring of other Union Parishad taxes (1 hour 30 minutes).
- ▶ Review of training, next steps and closing (1 hour).

Add tea and lunch breaks where relevant and display the timing of the sessions by using the day-time format (10:00 - 10:40).

^{xxix} "tax" includes any rate fee and other impost liveable under the local government (Union Parishad) ordinance 1983.
^{xxx} "building" includes any shop, house, hut, outhouse, shed, stable or enclosure built from any material and used for any purpose, and also includes a wall, well, veranda, platform, plinth and steps.

Note A2.1: Different Union Parishad Income Sources (Session-2, Day-1)

- ▶ Union Parishad's own revenues and resources
 - taxes on buildings and land
 - taxes on trade and business
 - taxes on land transfers
 - rates, fees and other charges
- ▶ Discretionary grants from GoB
 - GoB block grant to cover development expenditures
 - GoB/LGSP extended block grants to cover development expenditures
- ▶ Discretionary grants from donor-funded programmes
 - Sharique co-financing support
- ▶ Conditional transfers from GoB
 - Transfers for salaries and administrative costs
 - Annual Development Program (ADP)
- ▶ Conditional grants from donor-funded programmes
 - Special relief funds

Note A2.2: Possible Answers to the Question why the Union Parishad would need to levy taxes (Session-2, Day-1)**Participants may identify the following reasons for levying UP taxes:**

- Increase Union Parishad revenue.
- To provide more and better services to the people in the Union.
- To enhance development activities in the Union.
- To meet constituency expectation.
- To pay the allowances of Union Parishad members and chairperson on a regular basis.
- To reduce dependency on government line agencies for conditional development allocation.
- To reduce the interference of Member of Parliament in Union Parishad affairs
- Etc.

Note A2.3: Categories of Union Parishad Taxes with Examples
(Session-2, Day-1)

According to Union Parishad Model Tax Schedule 2003 all Union Parishads are entitled to levy the following taxes:

1. Tax on buildings and land^{xxxi}
2. Tax on profession, trade & commerce and artisan trades
 - Contractors
 - Commercial institutions (e.g. coaching centres, private schools)
 - Professions, trade and businesses (read out some examples from Union Parishad Model Tax Schedule)
3. Tax on advertisement
 - Sign boards/bill boards on private and Union Parishad land
4. Tax on cinema and audio-visual show
5. Tax on transport
 - Rickshaws
 - Vans
 - Non-engine and engine boats/tractors
6. Tax on fairs, agricultural fairs, industrial fairs and other commercial fairs

Note A2.4: Possible Ideas for Encouraging People to Pay Taxes.
(Session-2, Day-1)

The following ideas could contribute to enhancing revenue by encouraging citizens to pay Union Parishad taxes:

- Raise awareness among citizens in regard to income and expenditure of the Union Parishad.
- Involve citizens in Union Parishad planning not only in regard to projects to be undertaken by the Union Parishad but also in regard to planning of UP tax collection and fixing a target for the year.
- Inform people in regard to taxes, what taxes the Union Parishad is eligible to levy, how taxes are assessed and collected.

^{xxxi} Buildings located in the area.

- Transparent and fair tax assessment process with the involvement of citizens.
- Transparent and fair tax collection process with the involvement of citizens, e.g. give mandate to CBO for tax collection.
- Inform citizens that services like certificates, licences etc. will only be given to those who have paid their taxes.
- Inform citizens how they can voice grievances in regard to tax assessment and collection.
- Issue demand a notice^{xxxii} to respective tax payers.
- Give 5% rebate to those tax payers who pay taxes in the first quarter of the fiscal year^{xxxiii}
- Give citizens access to the tax register, so that they can verify whether their tax payment is correctly registered.
- Display a list of households which have paid their taxes and those that still have amounts outstanding.
- Involve citizens in monitoring Union Parishad projects and expenditure of the Union Parishad.
- Inform citizens of progress of budget implementation and tax collection regularly
- Observation of a tax collection month preferably subsequent to the harvesting season.

Note A2.5: Specimen answers to the question, 'What could be done to realise arrears?' (Session-2, Day-1)

- Review the progress in tax collection in quarterly open ward meetings and in Union Parishad open meetings.
- Involve influential/respected people, CBOs or local NGOs in realising arrears.
- Display a list with all households with outstanding tax payments on the notice boards in the different wards and in the Union Parishad complex^{xxxiv}.
- Do not issue any certificates, licenses or provide any other Union Parishad services to those who have not paid their taxes.
- Discuss the progress of arrear tax collection in the monthly Union Parishad meeting.
- Etc.

^{xxxii} Bullet one1 of section 3 in Union Parishad Tax Assessment and Collection Strategy.
^{xxxiii} Bullet ten of section three in Union Parishad Tax Assessment and Collection Strategy.
^{xxxiv} Rule 12 (1) of the Union Council (Taxation) Rules 1960.

Note A3.1: Major activities in regard to increasing holding tax revenues
(Session-3, Day-1)

The major activities relate to the following categories:

- Tax assessment
- Tax collection
- Documentation
- Public information

Note A3.2: Holding tax assessment calculation (Session 3, Day 1)

The following procedures are derived from rule 22 of Union Council (Taxation) Rules 1960, section 3 of Union Parishad model tax schedule 2003 and Union Parishad Tax Assessment and Collection Strategy circulated in 2003.

Tell participants that a house can be used in three different ways: a) for own use b) for rental c) for partly rental and partly own use. The three types of use will be discussed accordingly:

a) Own use

Even if a house is used for own use, a tentative monthly rent can be estimated. The annual value³⁵ is calculated based on this estimated monthly rent multiplied by twelve.

Subtract two months' rent from the calculated annual value for maintenance costs. From this amount subtract 1/4 as owner is residing in the house. Further subtract the annual interest if the house is mortgaged. Multiply the final amount by 7 % to arrive at the tax payable for the house.

Example:

Information required:

Estimated monthly rent: TK 300

Annual interest on mortgage: TK 150

³⁵ "Annual value" means the gross rent at which a building or land may be let from year to year.

Calculation:

Annual value: TK 300 X 12 = TK 3,600

Maintenance cost: TK 300 X 2 = TK 600

Subtotal: TK 3,600 - TK 600 = TK 3,000

Allowance for residing in own house: TK 3,000 X $\frac{1}{4}$ = TK 750

Subtotal: TK 3,000 - TK 750 = TK 2,250

Subtraction of annual interest on mortgage: TK 2,250 - TK 150 = 2,100

Calculated tax: TK 2,100 X 7% = **TK 147**

b) Rental house

If a house is rented out, the actual monthly rent is taken as a basis and multiplied by twelve to arrive at the calculated annual value.

Subtract two months' rent from the calculated annual value for maintenance costs. From this further subtract the annual interest if the house is mortgaged. Multiply the final amount by 7% to arrive at the payable tax for the house.

Example:

Information required:

Monthly rent: TK 300

Annual interest on mortgage: TK 300

Calculation:

Annual value: TK 300 X 12 = TK 3,600

Maintenance cost: TK 300 X 2 = TK 600

Subtotal: TK 3,600 - TK 600 = TK 3,000

Subtraction of annual interest on mortgage: TK 3,000 - TK 300 = TK 2,700

Calculated tax: TK 2,700 X 7% = **TK 189**

c) Partly rent, partly own use

If a house is partly rented out and partly used by the owner, calculations for own use and for rental need to be followed.

Example:

A house has two rooms one room is used by the owner (a) and its tentative monthly rent is TK 300 and the annual interest on the mortgage for this part of the house is TK 150. The other room is rented out (b) at TK 400 per month and the annual interest on the mortgage for that part of the house is TK 200.

(a) Calculation for 'own use' part:

Annual value: $TK\ 300 \times 12 = TK\ 3,600$

Maintenance cost: $TK\ 300 \times 2 = TK\ 600$

Subtotal: $TK\ 3,600 - TK\ 600 = TK\ 3,000$

Exemption for residing in own house: $TK\ 3,000 \times \frac{1}{4} = TK\ 750$

Subtotal: $TK\ 3,000 - TK\ 750 = TK\ 2,250$

Subtraction of annual interest on mortgage: $TK\ 2,250 - TK\ 150 = 2,100$

Calculated tax: $TK\ 2,100 \times 7\% = TK\ 147$

(b) Calculation for rental part:

Annual value: $TK\ 400 \times 12 = TK\ 4,800$

Maintenance cost: $TK\ 400 \times 2 = TK\ 800$

Subtotal: $TK\ 4,800 - TK\ 800 = TK\ 4,000$

Subtraction of annual interest on mortgage: $TK\ 4,000 - TK\ 200 = TK\ 3,800$

Calculated tax: $TK\ 3,800 \times 7\% = TK\ 266$

Total for the whole house:

(a) $TK\ 147 + (b)\ TK\ 266 = TK\ 413$

Note A3.3: Briefing for Household Visits to Collect Information for Holding Tax Assessment (Session 3, Day 1)

The steps outlined below may be followed when collecting information to assess building and land tax (Holding Tax).

- Step 1: Introduction and exchange of greetings.
- Step 2: Briefly explain the purpose of the visit: "We are here to collect information which will be used for the assessment of your annual holding tax".
- Step 3: Ask how many houses/rooms s/he owns
- Step 4: If s/he rents the house, what is the current rate? (You can ask the neighbours for verification).
- Step 5: If landlord him/herself resides in the house, ask the tentative rent (verify with other neighbours if the same type of house is rented out in the locality).
- Step 6: Document information in following format.

Union tax assessment form
Name of Union, name of Ward, name of Upazilla and District

| Holding Number | Name of H/H Father's name | Village | Description of resource | | | Annual tax of household in taka | Comments |
|----------------|---------------------------|---------|-------------------------|--------------|--------------------------------|---------------------------------|----------|
| | | | House | Monthly rent | Annual interest (if mortgaged) | | |
| | | | H1 | | | | |
| | | | H2 | | | | |
| | | | H3 | | | | |
| | | | H4 | | | | |
| | | | H1 | | | | |
| | | | H2 | | | | |
| | | | H3 | | | | |
| | | | H4 | | | | |

Step 7: Inform the person that the assessment result will be made public and that s/he will be invited to an open ward meeting, where s/he can ask questions and if necessary also voice grievances regarding the assessed holding taxes.

Step 8: Thank household head and/or other people who are present and leave.

Note A3.4: Planning Matrix - Holding Tax Assessment Documentation and Monitoring (Session 3, Day 1)

Holding tax assessment plan
Name of Union Parishad....., District.....Upazila.....

| Activities | Person/committee to take lead | Start Date | Completion Date | Monitoring |
|----------------|-------------------------------|------------|-----------------|---|
| 1. Holding tax | | | | Monthly UP meeting Quarterly dialogue with constituency GO-NGO coordination meeting |
| | | | | |

Taxes on buildings and land need to be assessed every five years.

The possible activities might be

- Appointment/deployment of assessors.
- Training to the assessors.
- Introducing the assessors to constituency (respective ward) by posting notice including photograph on notice boards and public places.
- Loudspeaker announcements, personal contact, drum beating) or written notice to the household specifying date/period of assessment.
- Tax assessment
- Display the assessment result in public (notice board and/or public place) using Union Parishad format prescribed in Union Parishad form 11 or simpler version (see the sample form in tax assessment guideline)
- Open Ward meeting for sharing tax assessments, replies to people's queries and grievances. The open meeting will be used to explain the process of tax collection and the citizens' right to information in regard to taxes and also in regard to how their taxes are utilised.
- Finalisation of tax assessment and Union Parishad approval.
- Deputy Commissioner's approval.
- Documentation of assessment information into union tax registers.

Handout A3.5: Open ward meeting facilitation process (*Session 4, Day 1*)

The Objective/purpose of the meeting is to explain the tax assessment and collection process to the tax payer, with an emphasis on the importance of tax and the utilisation of tax money. It also provides an opportunity to obtain feedback from tax payers.

The Participants are tax payers and/or their representatives: all members of the community are encouraged to attend the meeting. Respective Union Parishad ward members (female and male) and tax assessors (if assessors are different from Union Parishad members) can take the lead in organising and facilitating the meeting. The presence of Union Parishad secretary and Union Parishad Chairman is recommended.

Intended outcome

- People understand the importance of paying taxes.
- People are informed about the tax assessment and collection processes and procedures.
- People agree on the fair assessment of their taxes.
- People are informed about how they can address grievances in regard to their tax assessment and tax payment.
- Confidence is built regarding proper use of tax money by informing people regarding the documentation of tax assessment and collection and their right to access the information documented.
- People get an idea about how their tax money is used.

For a successful meeting the following steps could be followed:

Preparation/before the meeting

- After assessing taxes of a full ward, ensure that the results are displayed in public places (UP and ward notice boards, haat bazaar/ educational institutions etc.) at least one week before the meeting.
- Fix the ward meeting date in consultation with tax payers at a suitable place and time
- Ensure sufficient publicity about the date, time and purpose of the meeting across the ward.
- Ensure invitation and confirmation of guest participants' presence i.e. other Union Parishad representatives, GoB officials and NGO representatives.
- Prepare a large size poster outlining the tax assessment and tax collection process with recordkeeping arrangement.
- Make the draft tax assessment list available in the meeting.
- Organise comfortable seating arrangement.

In the meeting:

- Welcome address by chair (UP ward member/women member or if available UP Chairman) with sharing of purpose of the meeting and handing over to the moderator (e.g. UP secretary, UP ward member/women member).
- Presentation of tax assessment procedures including recordkeeping arrangement and encourage tax payer to give their feedback on process and/or on assessed taxes.
- Answer to the question and provide clarification.
- Presentation of the process of tax collection, recordkeeping and utilisation of tax money with peoples' feedback.
- Answer to the question and provide clarification.
- Agree on a date for dealing with informal appeals related to the tax assessment.
- Concluding remarks by chair and guest(s).

Post-meeting

- Make necessary adjustments in the tax assessments.
- Prepare meeting minutes and ensure that these are posted on the UP and ward notice board.
- Follow up meeting decision.

Note A4.1: Possible Activities Regarding Collection and Documentation of UP Holding Taxes (*Session 4, Day 1*)**Collection and Documentation**

After completing a full ward assessment, subsequent activities can be carried out to ensure optimum collection:

- Appoint an individual or a CBO/VBO as tax collector.
- Short orientation to tax collector (if collector is different from assessor) on assessment process, collection and recordkeeping procedures.

- Introduce collector to the ward people.
- Issuance of demand notice to tax payers.
- Supply a passbook to tax payers during payment of first instalment. If passbook is not available issue acknowledgement receipt as specified in UP form 10 (see the sample form in tax collection guideline).
- Collection of tax in a single payment and/or in instalments by home visit or through counter in hat, bazaar and Union Parishad.
- Sharing of tax collection progress and utilisation of tax money with citizens in quarterly open meetings.
- Only issue certificates, licenses etc. Once a person has paid his/her taxes.
- Conduct internal audit which takes into account tax collection, registration and bank deposits and inform public on findings of internal audit (Standing Committee Audit and Accounts to perform audit)
- Share tax collection progress and target for upcoming fiscal year in UP open budget meeting.
- Allow citizens access to tax register, so that they can check whether the tax they have paid has been registered.
- Maintain relevant registers.
- Deposit the collected money in the bank.
- Report progress of tax collection to DC through UNO.

Note: Union Parishad can withhold tax collection for 6 months in case of disaster and/or calamity.

Note 4.2: Planning matrix in regard to holding tax collection, documenting and monitoring (Session 4, Day 1)

Holding tax collection plan
 Name of Union Parishad....., District.....Upazila.....

| Activities | Person/committee to take lead | Start Date | Completion Date | Monitoring |
|----------------|-------------------------------|------------|-----------------|---|
| 1. Holding tax | | | | Monthly UP meeting Quarterly dialogue with constituency GO-NGO coordination meeting |
| | | | | |
| | | | | |

The possible activities (see also handout A4.1) might be:

- Appoint an individual or a CBO/VBO as tax collector.
- Short orientation to tax collector (if collector is different from assessor) on assessment process, collection and recordkeeping procedures.
- Introduce collector to the ward people.
- Issuance of demand notice to tax payer.
- Supply a passbook to tax payers during payment of first instalment. If passbook is not available issue acknowledgement receipt as specified in UP form 10 (see the sample form in tax collection guideline).
- Collection of tax in a single payment and/or in instalments by home visit or through counter in hat, bazaar and Union Parishad.
- Sharing of tax collection progress and utilisation of tax money with citizens in quarterly open meetings.
- Only issue certificates, licenses etc. once a person has paid his/her taxes.
- Conduct internal audit which takes into account tax collection, registration and bank deposits and inform public on findings of internal audit (Standing Committee Audit and Accounts to perform audit)
- Share tax collection progress and target for upcoming fiscal year in UP open budget meeting.
- Allow citizens access to tax register, so that they can check whether the tax they have paid has been registered.
- Maintain relevant registers.
- Deposit the collected money in the bank.
- Report progress of tax collection to DC through UNO.

Note: Union Parishad can withhold tax collection for 6 months in case of disaster and/or calamity.

Note B4.1: Other Categories of UP Taxes (Session 4, Day 2)

The Union Parishad Model Tax Schedule 2003 (See note B5.1) authorises the Union Parishad to levy taxes, rates and fees from the following sources at rates specified:

- Tax on profession, trade & commerce and artisan trades.
- Tax on advertisement.
- Tax on cinema and audio-visual show.
- Tax on transport.
- Tax on fairs, agricultural fairs, industrial fairs and other commercial fairs.

Note B5.1 Non-holding UP Taxes and their Rates (Session 5, Day 2)³⁶**Tax on profession, trade & commerce and artisan trades:**

(a) In the case of Contracting Firms or their agents, tax shall be payable in the following rates as per classification in Column 2 and amount in Column 3 of the Table :

| Sl.No. | Classification of Contractor | Payable Tax |
|--------|-------------------------------|-------------|
| 1. | Contractor - Special Category | 300.00 |
| 2. | Contractor - 1st Class | 250.00 |
| 3. | Contractor - 2nd Class | 100.00 |
| 4. | Contractor - 3rd Class | 75.00 |
| 5. | Supplying Firm | 75.00 |

(b) In the case of various educational institutions or training centres, tax shall be payable in the following rates as per classification in Column 2 and amount in Column 3 of the Table :

| Sl.No. | Classification of Institution | Payable Tax |
|--------|-------------------------------|-------------|
| 1. | Private University | 250.00 |
| 2. | Kindergarten School | 100.00 |
| 3. | Coaching Centre | 100.00 |
| 4. | Training Centre (private) | 100.00 |

(c) Tax may be payable at an annual rate of Tk. 250.00 upon all private Nursing Homes;

(d) In the case of all other professions, business/trades and trading firms excepting Part (a), (b) and (c) above, tax shall be payable in the following rates as per classification in Column 2 and amount in Column 3 of the Table:-

| Sl.No. | Classification of profession, business/trade and business/trading firms | Payable tax |
|--------|---|---|
| 1. | (a) Stamp Vendor (b) Deed Writers | 75.00 75.00 |
| 2. | Travelling Agent | 150.00 |
| 3. | All kinds of Import-Export businesses | 150.00 |
| 4. | Cinema Hall | 200.00 |
| 5. | Wholesale business of Jute/Paddy/ Rice/Fish/Oil/Flour / Atta/Molasses/Eggs/Cotton/Silk or any other product/item | 125.00 |
| 6. | Bricks/Sand/Stone business | 200.00 |
| 7. | Medical doctors, Dentists (whose income is tax payable) | 250.00 |
| 8. | Medical doctors, Dentists (whose income is not-tax payable) | 100.00 |
| 9. | Rice/Atta/Pulse/Oil/Flour/Vermicelli/Spices Mills (a) Non-automatic (b) Automatic | 100.00 150.00 |
| 10. | Saw Mill, Machine Shop | 100.00 |
| 11. | Ceramic Factories and other mills and factories | 150.00 |
| 12. | Bidi/Cigarette Factory | 250.00 |
| 13. | Engineering Workshop | 150.00 |
| 14. | Welding Workshop | 100.00 |
| 15. | Brick Field (for each chimney) | 500.00 |
| 16. | Residential Hotel | 250.00 |
| 17. | Highway Inn | 500.00 |
| 18. | Non-Residential Hotel, Restaurant | 100.00 |
| 19. | Mechanical Vehicles:- (a) Mishuk (b) Baby-Taxi (c) Tempo 50.00 (d) Taxi/Taxi Cab/Car (e) Microbus (f) Minibus/Mini Truck/Human Hauler (g) Bus/Truck/Tanker (h) Launch | 50.00 50.00 50.00 100.00 150.00 150.00 250.00 200.00 |
| 20. | Transport Agency | 250.00 |

³⁶ According to Model Tax Schedule 2003.

| Sl.No. | Classification of profession, business/trade and business/trading firms | Payable tax |
|--------|--|-------------------------------------|
| 21. | (a) Cloth Merchant (Wholesale) (b) Cloth Merchant (Retail) | 100.00 25.00 |
| 22. | Thread Merchant/Distributor (Wholesale) | 100.00 |
| 23. | (a) Printing Press (non Automatic) (b) Printing Press (Automatic) | 100.00 200.00 |
| 24. | (a) Watch Shop (big) (b) Watch Shop (small) | 100.00 50.00 |
| 25. | Jewellery : (a) including show-room (b) without show-room | 250.00 100.00 |
| 26. | MS Rod/CI Sheet and Cement dealer:- (a) big (b) small | 250.00 150.00 |
| 27. | (a) TV, Freezer and other Electronic item Shop (Agency-holder) (b) big (without agency) (c) small (without agency) (d) repair shop only | 200.00 150.00 100.00 50.00 |
| 28. | (a) Binding Factory (inc/l machine) (b) Binding Factory (without machine) | 50.00 20.00 |
| 29. | Departmental Store (a) big (b) small | 150.00 75.00 |
| 30. | (a) Pharmacy (big) (b) Pharmacy (small) (c) Homeo Pharmacy/Unani Ayurvedic Pharmacy | 150.00 75.00 50.00 |
| 31. | (a) Spectacles Shop (big) (b) Spectacles Shop (small) | 100.00 50.00 |
| 32. | (a) Shoe Store (big) (b) Shoe Store (small) | 100.00 50.00 |
| 33. | (a) Decorator's Shop (big) (b) Decorator's Shop (small) | 100.00 50.00 |
| 34. | (a) Book Stall (big) (b) Book Stall (small) | 50.00 25.00 |
| 35. | (a) Newspaper Stall (big) (b) Newspaper Stall (small) | 25.00 10.00 |

| Sl.No. | Classification of profession, business/trade and business/trading firms | Payable tax |
|--------|--|--------------------------|
| 36. | (a) Grocery Shop (big) (b) Grocery Shop (small) | 150.00 75.00 |
| 37. | (a) Tailoring Shop (big) (b) Tailoring Shop (small) | 50.00 25.00 |
| 38. | Bedding Shop | 50.00 |
| 39. | VDO/VCD/Audio Shop | 100.00 |
| 40. | VDO Games Shop | 100.00 |
| 41. | (a) Photo Studio (Lab) (b) Photo Studio (big) (c) Photo Studio (small) | 150.00 75.00 50.00 |
| 42. | (a) Medical Treatment Centre/Medical Diagnostic Centre (big) (b) Medical Treatment Centre/Medical Diagnostic Centre (small) | 250.00 125.00 |
| 43. | (a) Sweetmeat Vendor (big) (b) Sweetmeat Vendor (small) | 150.00 100.00 |
| 44. | (a) Fruit Shop (big) (b) Fruit Shop (small) | 25.00 10.00 |
| 45. | (a) Automobile Shop (big) ¹ (b) Automobile Shop (small) | 50.00 75.00 |
| 46. | (a) Electrical Items Shop (big) (b) Electrical Items Shop (small) | 150.00 100.00 |
| 47. | Motor Spares Shop | 100.00 |
| 48. | (a) Hardware Shop (big) (b) Hardware Shop (small) | 100.00 50.00 |
| 49. | Sanitary-ware Shop | 100.00 |
| 50. | (a) Cigarette and Bidi Shops (Wholesale/Agency) (b) Cigarette and Bidi Shops (Wholesale/without Agency) | 150.00 25.00 |
| 51. | Business Shop for different sizes of wood | 100.00 |
| 52. | Firewood Shop | 25.00 |
| 53. | Business Shop for Furniture | 100.00 |
| 54. | Bicycle/Rickshaw Spare Parts Shop | 50.00 |

¹ Under this clause "big" shall mean a shop or organization having an area of at least 12 sq.ft.

| Sl.No. | Classification of profession, business/trade and business/trading firms | Payable tax |
|--------|--|--------------------------|
| 55. | Bicycle Shop | 100.00 |
| 56. | Steel Furniture Shop | 100.00 |
| 57. | Crockery Shop | 50.00 |
| 58. | Shops for Glass Binding | 25.00 |
| 59. | (a) Readymade Garments Shop (big) (b) Readymade Garments Shop (small) | 100.00 50.00 |
| 60. | Fax, Phone and Courier Service | 50.00 |
| 61. | (a) Rickshaw and Rickshaw Van Making Factory (big) (b) Rickshaw and Rickshaw Van Making Factory (small) | 100.00 50.00 |
| 62. | Wine/Liquor Shop (licensed) | 250.00 |
| 63. | Mike/Music System Rental Shop | 100.00 |
| 64. | Battery Shop | 25.00 |
| 65. | (a) Hardboard/Partex Formica Shop (big) (b) Hardboard/Partex Formica Shop (small) (c) Foam/Rexin | 100.00 50.00 50.00 |
| 66. | (a) Bakery Factory (big) (b) Bakery Factory (small) | 50.00 25.00 |
| 67. | Photostat Shop | 25.00 |
| 68. | Brass/Copper Shop | 25.00 |
| 69. | Computer Sales Shop | 100.00 |
| 70. | TV Parts and Antenna Shop | 50.00 |
| 71. | LP Gas business | 100.00 |
| 72. | Visa Agent | 100.00 |
| 73. | (a) Paint Shop (Agency) (b) Paint Shop (Retail) | 100.00 50.00 |
| 74. | Dish Line Business | 100.00 |
| 75. | Filling Station/Petrol Pump | 250.00 |

| Sl.No. | Classification of profession, business/trade and business/trading firms | Payable tax |
|--------|--|------------------|
| 76. | (a) Community Centre (air-conditioned) (b) Community Centre (non air-conditioned) | 250.00 150.00 |
| 77. | Mobile Phone Selling Agent | 150.00 |
| 78. | Poultry Shop | 25.00 |
| 79. | Advertising Firm | 100.00 |
| 80. | (a) Fertilizer/Insecticide Agency (b) Fertilizer/Insecticide Shop | 100.00 50.00 |
| 81. | Cold Storage/Godown | 250.00 |
| 82. | Real Estate/Builders/Developers | 250.00 |
| 83. | Sales/Show-room of Honda/Car/other cars | 500.00 |
| 84. | Distributor of any Product (Agency) | 100.00 |
| 85. | Business for Corn-seed (Bhushi) items | 25.00 |
| 86. | Glass/glassware business | 25.00 |
| 87. | Bag/Suitcase business | 75.00 |
| 88. | Sports/Toys items | 50.00 |
| 89. | Security Service business | 100.00 |
| 90. | Generator business (for hire) | 50.00 |
| 91. | (a) Hair dressing Saloon (big) (b) Hair dressing Saloon (small) | 50.00 25.00 |
| 92. | Meat Seller | 50.00 |
| 93. | (a) Washing Laundry (big) (b) Washing Laundry (small) | 25.00 15.00 |

Tax on Advertisement:

| SI.No. | Classification of sign-board | Payable tax |
|--------|---|-------------|
| 1. | Sign-board/bill-board fixed on private land and buildings | 5.00 |
| 2. | Sign-board/bill-board fixed on Union Parishad land | 6.00 |

Tax on Cinema and Audio-visual shows: In the case of cinema and audio-visual shows, tax shall be payable at a maximum rate of 10% upon the entrance fees collected from the spectators.

However, tax may be waived partially or fully on all shows provided that they are arranged for educational or charitable purposes.

Tax on Transport : In the case of different kinds of transports and licenses thereon, tax shall be payable in the following rates as per classification in Column 2 and amount in Column 3 of the Table :

| SI.No. | Description | Payable tax |
|--------|---------------------------------------|-------------|
| 1. | Rickshaw (for hire) | 20.00 |
| 2. | All kinds of 2-wheel Van | 20.00 |
| 3. | All kinds of 3-wheel Carrier (Van) | 20.00 |
| 4. | Driving Licenses for Rickshaw and Van | 15.00 |
| 5. | Non-mechanical carrier boats | 15.00 |
| 6. | Engine operated boat/trawler | 50.00 |

Tax on fairs, agricultural fairs, industrial fairs and other commercial fairs : Tax shall be payable at a rate not over 10% upon the entrance fees fixed by the organizing authority for entering into the specific shows/places of any fair, agricultural fair or industrial fair arranged for commercial purposes within the area of the Union Parishad.

Note: B5.3 Planning Matrix for Non-holding Taxes (Session 5, Day 2)

Non-holding collection plan
Name of Union Parishad..... District.....Upazila.....

| Activities | Person/committee to take lead | Start Date | Completion Date | Monitoring |
|------------|-------------------------------|------------|-----------------|---|
| | | | | Monthly UP meeting Quarterly dialogue with constituency GO-NGO coordination meeting |
| | | | | |
| | | | | |

The possible activities (see also handout A4.1) might be:

- Preparation of inventory.
- Realistic assessments as per GOB directives (model tax schedule 2003).
- Approval of assessment by UP.
- Documentation of assessment information in UP, Upazilla and office of the Deputy Director Local Government.
- Issuance of demand notice to respective tax payers.
- Collection of tax, rates and fees and documentation (UP form 14 and 15).
- Issuance of license (UP form 13).
- Providing money receipt.
- Sharing of collection progress and utilisation of money with public in quarterly ward level meeting.

Note: B6.1 Mood Meters (Session 6, Day 2)

How confident you are to assess and collect taxes after this training?

Not at all

fully confident



(Put where appropriate)

How satisfied are you with the appropriateness of training content, methods and facilitation?

Not at all

fully satisfied



(Put where appropriate)

About Intercooperation

Intercooperation (IC) is a leading Swiss not-for-profit organisation engaged in international development and cooperation. Intercooperation is both an implementing and an advisory organisation, providing professional resources and knowledge combined with social commitment. Intercooperation's expertise is grouped around three broad working domains:

- Environment and climate change
- Governance and Natural Resources
- Income and food security

In all its work, IC seeks to empower the poor and marginalised by supporting gender-balanced, equitable, rights-based development.

Intercooperation supports partner organisations in more than twenty developing and transition countries on mandates from the Swiss government and other donors. In South Asia, Intercooperation is present in Bangladesh, India, Pakistan, Nepal and Afghanistan.

About SHARIQUE

Intercooperation has been mandated by the Swiss Agency for Development and Cooperation (SDC) to manage a local governance programme in Bangladesh called SHARIQUE. Through its local governance programme, Intercooperation works in a total of 130 Unions and 20 Upazilas in the districts of Rajshahi, Chapai Nawabganj and Sunamganj. The purpose of the programme is to empower the poor men & women and marginalised groups to claim their rights and entitlements, and to benefit from more effective service provision by the local governments.

The programme strengthens, on the one hand, the capacity of the Union Parishads and the Upazila Parishads to manage public affairs and resources in a more participatory and inclusive, transparent and accountable way. On the other hand, it strives to empower the poor men & women and marginalized groups to know their rights and responsibilities and negotiate their interests in local planning and decision making. The programme furthermore aims at utilizing its experiences and lessons to influence public debate, local governments and related national institutions, policy & regulations.

Intercooperation implements the programme with the following local partner NGOs: CNRS, MSP, RWDO, Sacheton, SNKS, SUS.

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