

Octroi to go from July 1: Mumbai civic body to have monthly targets for 3 months

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[BMC's budget for the financial year 2017-18 will be revealed on March 29. \(HT\)](#)

The Brihanmumbai Municipal Corporation's (BMC) budget is likely to set only monthly targets for octroi, which will be discontinued once the goods and services tax (GST) comes into effect from July 1.

BMC's budget for the financial year 2017-18 will be revealed on March 29.

BMC sets a target of close to Rs7,000 crore every financial year. The daily earning of close to Rs15 crore from octroi is also used for the corporation's routine work.

A senior civic official said, "We cannot keep an annual target with the GST expected to come into effect from July 1. We might have monthly targets for the next three months."

The target is estimated to be around Rs500 crore a month.

Touted to be one of the biggest economic reforms in the past two decades, the GST is a form of indirect taxation, which will merge all existing taxes under a single system. The

<http://www.hindustantimes.com/mumbai-news/octroi-to-go-from-july-1-mumbai-civic-body-to-have-monthly-targets-for-3-months/story-2pplVLdBHiFlumwRGiy9GN.html>

BMC will lose its octroi revenue of Rs7,000 crore per year with the introduction of the taxation.

BMC has also asked the Central government for compensation for the loss without routing it through the state government. Another civic official said, "Octroi is liquid cash that helps us maintain buoyancy. Though the compensation is for five years from the base year, there will be difficulty in maintaining the buoyancy once octroi is out."

This year, despite demonetisation, which slumped octroi revenue in November and December, BMC had met all its targets, in fact surpassing them. By Saturday, it had collected Rs7,000 crore, surpassing its target of Rs6,700 crore. Last year, the BMC had managed to earn Rs 6,300 crore, against the target of Rs6,900 crore.

The civic official said, "We were able to surpass the target because of an increase in the crude oil rates and increased vigilance at the nakas. A levy on crude oil itself has earned the BMC about Rs2,000 crores."