

### **Unexpected property tax**

Residents of Islamabad received a surprise tax bill in the last week of September. Not only were they handed their property tax bills late, they were in for a shock as the property tax bills had been doubled. This means that property owners have less than a week to submit double their usual tax bills. The issue seems to have arisen due to a tussle between the CDA and the Metropolitan Corporation Islamabad over who controls the revenue directorate in the capital city. The chaos is the result of the devolution of the CDA's revenue directorate to the MCI in 2016 after the local government elections. The devolution was supposed to streamline the process of collecting property tax, but instead it has led to an even more opaque process put in place. There is no excuse for tax bills not being provided in time, let alone hiking them without letting property owners know first. Moreover, any tax hike needs to be justified to those being asked to pay more tax, a task which neither the CDA nor the MCI has chosen to undertake.

It would appear that now suddenly any state body can decide to increase their revenue demands without offering anything more in return. The MCI is of the view that property tax rates had not been revised for more than 18 years. This is a matter that needs to be examined on its own, but residents have complained about not being informed in time about any planned increase. Moreover, if the MCI's claim is indeed true, then one must wonder what the CDA has been doing in the past two decades.

What is even more ironic is that despite the fact that the CDA logo is on the bills, the CDA has denied responsibility for the tax hikes. It should be clear that citizens should not be responsible for paying the bill for the failures of the state. Any proposed hike in the property tax bills should correspond to inflation in the year in question, rather than make up for two decades of state inefficiency. In any case, it would be useful for the CDA and MCI to resolve the issue of who is responsible for property tax in the federal capital before such an increase in the property tax. Residents of the capital are now facing a double burden of state inefficiency: a higher tax bill and the fear of what could happen if they miss the deadline. Why must the residents of Islamabad foot the bill for the unresolved tug of war between the CDA and MCI?