

# LAND REVENUE & CESS

What is Revenue?

Revenue means whatever is lawfully payable in money by a raiyat under the provisions of this Act in respect of any plot of land or part thereof held by him for a revenue year or a part thereof.

## West Bengal Land Reforms Act

The provisions of Land Revenue is discussed in **Chapter IV** of WBLR Act, 1955 (Sec. 22- 30)

Also see Rule 15 -20 of WBLR Rules, 1965 & Rule 296 to 303 of WBLR Manual, 1991.

### Background

State omitted Chapter IV by introducing West Bengal Land Holding Revenue Act, 1979. But State unable to introduce the Act which had been held ineffective due to Court orders. The Act repealed from 13-04-2001 [vide Notification no: 1249L-Ref. dated 12-04-2001].

State reintroduced Chapter IV by Amendment Act, 2000.

### Sec. 22

- A Raiyat shall be liable to pay revenue for his plot of land, *other than the plot of land used for agricultural purpose*.
- Revenue shall be the first charge on land held by the Raiyat. This means the payment of revenue has been made as the charge for the land held by the raiyat & that charge overrides all other mortgages/ charges which are created by the raiyat.

### Sec. 23: Rate of Land Revenue

- It is amended by WBLR (Amendment) Act, 2000, WBLR (Amendment) Act, 2003, WBLR (Amendment) Act, 2005 & WBLR (Second Amendment) Act, 2017.
- Present rate of Land Revenue both in Rural & Urban area (other than Municipal Corporation of Kolkata & Howrah and other Municipal areas under KMDA area) is governed by WBLR (Amendment) Act, 2005 with effect from 17-12-2005.
- The rate of land revenue for land used for agricultural purpose become Nil by WBLR (Second Amendment) Act, 2017 with effect from 07-11-2017.

### Date of effect of the Act

Act	Date
WBLR Act, 1955	1385 - 1407 BS
WBLR (Amendment) Act, 2000	1408 - Ashin, 1410 BS
WBLR (Amendment) Act, 2003	Kartik, 1410 – Agrahayan,1412 BS
WBLR (Amendment) Act, 2005	Poush, 1412 – Kartick, 1424 BS
WBLR (Second Amendment) Act, 2017	Agrahayan,1424 BS - Present

1385 BS=1978; 1407 BS=2000; 1408 BS=2001; 1410 BS=2003; 1412 BS=2005

### Major features of Amendments:

Act	Features
WBLR Act, 1955	<b>Irrigated or Non-irrigated</b> (For Irrigated mouza Rs. 13.5/ acre & For Non-irrigated mouza Rs. 9/ acre for all uses, but if revenue posted at khatian is higher, that will be prevailed)
WBLR (Amendment) Act, 2000	<b>ULC or Non-ULC</b>
WBLR (Amendment) Act, 2003	<b>Rural area or Urban area</b>
WBLR (Amendment) Act, 2005	Various categories of uses were introduced in Rural area
WBLR (Second Amendment) Act, 2017	Land revenue & Cesses for land used for Agricultural land is abolished.

To determine land revenue, first to identify whether it is rural area or urban area.

## **RURAL AREA**

- Land used for Agricultural purpose: Rs. 20/ acre [Sl. No. 1(a)]

[Omitted by WBLR (Second Amendment) Act, 2017]

- Land used for Homesteads : By General Public Rs. 40/ acre [Sl. No. 1(d)]
- Multistoried Building : By Co-operative Society Rs. 600/ acre [Sl. No. 1(j)]
- Housing Complex : developed by Company Rs. 800/ acre [Sl. No. 1(K)]
- Land used for Non-Agricultural purpose Rs. 40/ acre [Sl. No. 1(d)]

- Land used for " activities allied to agriculture"

➤ Fisheries, Poultryes, Piggeries	➤ Potteries
➤ Floriculture, Horticulture	➤ Sericulture
➤ Dairies & Livestock breeding.	➤ Biomass production activities

- 1) By General Public Rs. 30/ acre [Sl. No. 1(b)]
- 2) By Pvt. Company Rs. 150/ acre [Sl. No. 1(f)]

- Land used for Brackish Water Fisheries

- 1) By Individual or Co-operative Societies Rs. 200/ acre [Sl. No. 1(g)]
- 2) By Company Rs. 400/ acre [Sl. No. 1(h)]

- Land used for following activities in pucca structure Rs. 1200/ acre [Sl. No. 1(m)]

➤ Agro-processing	➤ Food park
➤ Food-processing	➤ Agro-industries
➤ Agricultural commodities storage warehouse & Go down	

- Land used for Commercial & Industrial activities

➤ Cold Storage	➤ Multiplexes, Cinema, Theatre, Video Halls
➤ Rice Mills	➤ Hotel, Restaurant
➤ General Trading warehouses & Go down	➤ Hospital, Pathological Laboratories, Nursing Home
➤ Automobile garages, Repairing Shop	➤ Office & Establishment of any Company
➤ Shop in Market/ Supermarket	

- 1) Above activities without pucca structure Rs. 500/ acre [Sl. No. 1(i)]
- 2) Above activities in pucca structure Rs. 1500/ acre [Sl. No. 1(n)]
- 3) Commercial & Industrial activities other than above in pucca structure Rs. 1000/ acre [Sl. No. 1(l)]

- Land used for Mills, Factories & Workshop Rs. 2000/ acre [Sl. No. 1(o)]
- Land used for Tea Garden & cultivation of tea Rs. 30/ acre [Sl. No. 1(c)]
- Land used by Govt. undertaking Rs. 50/ acre [Sl. No. 1(e)]

## **URBAN AREA (Municipal Corporation or Municipality)**

- Land used for Agricultural purpose: Rs. 20/ acre [Sl. No. 2(a)]

[Omitted by WBLR (Second Amendment) Act, 2017]

- Land used for "activities allied to agriculture" : Rs. 20/ acre [Sl. No. 2(a)]
- Land used for Non-agricultural purpose : Rs. 50/ acre [Sl. No. 2(d)]
- Land used for Homesteads : See the Act [Sl. No. 2(b)]
- Land used for Mills, Factories & Workshop or any other commercial & Industrial activities : See the Act [Sl. No. 2(c)]

- Revenue for the portion of the plot of land situated in mills, factories, workshops, or other commercial and industrial activities which is not directly used for commercial activities in pucca structure :Rs. 50/ acre

**Sec. 23A: Exemption**

• Central Govt., State Govt. & Local Body	• Place of worship
• Public Roads	• Burning Ghat
• Burial Grounds	• Other public purpose
• Govt. Sponsored Educational Institution	

- Govt. Sponsored Educational Institution means-
    - Established under any law of the State of WB
    - Recognized by the State Govt.
    - Aided by the State Govt.
- (w.e.f 01-11-2010 vide Notification no. 5779 dated 28-10-2010)

**Sec. 24**

- ❖ Exempted from paying revenue from 1385 BS if total area of land held by Raiyat & his family does not exceed 2.428 hectares (equal to 6 acres).
- ❖ Family : Raiyat + Wife + minor Sons + unmarried Daughters
- ❖ No exemption for the raiyat of Municipality
- ❖ No exemption for Mill, Factory, Workshop or other commercial purpose.
- ❖ If raiyat & his family held land in both irrigated & non-irrigated areas, then to calculate the total area of land of the raiyat, 1 hectare of land in irrigated area shall be deemed to be equivalent to 1.5 hectare of land in non-irrigated area. [1.619 hectare (= 4 acre) in irrigated area= 2.428 hectare (=6acre) in non-irrigated area].
- ❖ *WBLR (Second Amendment) Act, 2017* provided that where the revenue under the Act in respect of land used for agricultural purpose, is **nil**, the liability of the raiyat to pay any cess / surcharge is also **nil**.

**Cesses**

- **As per Cess Act, 1880**
  - ❖ Road Cess: 6% of land revenue assessed
  - ❖ Public Works Cess: 25% of land revenue assessed
- **As per West Bengal Primary Education Act, 1973**
  - Primary Education Cess: 10% of land revenue assessed
- **As per West Bengal Rural Employment & Production Act, 1976**
  - ❖ Rural Employment Cess: 30% of land revenue assessed
  - ❖ Rural Employment Surcharge: 15% (Non-Irrigated area) & 30% (Irrigated area) of land revenue assessed

<b>Cess applicable in Rural area (Non-irrigated)</b>	<b>Cess applicable in Urban area</b>
Road Cess (6%) of land revenue assessed	Rural Employment Surcharge (15%) of land revenue assessed
Public Works Cess (25%) of land revenue assessed	
Primary Education Cess (10%) of land revenue assessed	
Rural Employment Cess (30%) of land revenue assessed	
Rural Employment Surcharge (15%) of land revenue assessed	

According to Sec. 4(1) of West Bengal Rural Employment & Production Act, 1976 there is further exemption for exempted raiyat as follows:

“Provided that no raiyat who is exempted from paying revenue in respect of his holdings under clause (a) of sub-section (1) of Section 23B of the WBLR Act, 1955, shall be liable to pay rural employment cess”.

So exempted category of raiyat has to pay only following cesses:

1. Road Cess: 6% of land revenue assessed

2. Public Works Cess: 25% of land revenue assessed
3. Primary Education Cess: 10% of land revenue assessed
4. Rural Employment Surcharge: 15% (Non-Irrigated area) & 30% (Irrigated area) of land revenue assessed

**Rule 303 of WBLR Manual, 1991:** Interest will be charged @ 6 ¼ % per annum on arrears of land revenue & cesses.

### Kolkata Land Revenue Act, 2003

- For Municipal Corporation of Kolkata & Howrah
- For Bidhannagar Municipality
- For other Municipal areas under **Kolkata Metropolitan Development Authority.**
- Dist. involved: North 24-Parganas, South 24-Parganas, Nadia, Hooghly and Howrah.

#### Rate of Land Revenue under Kolkata Land Revenue Act, 2003

For Municipal Corporation of Kolkata & Howrah and Bidhannagar Municipality

- Homestead: Rs. 45/ decimal
- Commercial: Rs. 200/ decimal
- Vacant land (non-commercial use) Rs. 45/ decimal

For other Municipal areas under KMDA

- Homestead: Rs. 35/ decimal
- Commercial: Rs. 175/ decimal

- Every raiyat who makes payment of revenue within the year shall be entitled to a rebate of 5% of the amount of revenue paid. [Sec. 12(1)]
- An arrear of revenue shall bear simple interest @ 6.25 % per annum [Sec. 12(2)]
- The rate of revenue shall be increased at the rate of 10% after every 5 years. [ Sec. 5(2)]

Cess applicable:

- Only 15 % Rural Employment Surcharge under West Bengal Rural Employment & Production Act, 1976

Important points:

- ✓ Rate of Land Revenue is determined **as per use**, not as per recorded classification of land.
- ✓ The **unpaid arrear cesses** from 1385 BS to 1407 BS for the **raiylats exempted** from paying revenue were waived. (Circular no: 3062 LR/1A-04/03 GE (M) dated 10-11-2003 of L& LR Dept.)
- ✓ No arrear towards land revenue & cess for land used for agricultural purpose is chargeable [i.e. **unpaid arrear land revenue & cesses for land used for agricultural purpose** were waived.] (Circular no: 4158(45)- LP/1A-06/17 dated 05-12-2017 of L& LR Dept.)
- ✓ Previously the land revenue was fixed as on 1<sup>st</sup>Baisakh, 1384 BS. So, a raiyat's revenue cannot be decreased if as a result of transfer/ partition after that date, the total area of land is decreased. Now it can be easily done as per provision of Sec. 25 (Grounds for alteration of revenue). The grounds for alteration are purchase/sell/partition/acquisition etc.
- ✓ Collection of land revenue by Bhimi Sahayak (BS) does not confer title to any person. To avoid litigation a rubber stamp is put on each khazna receipt as "রাজস্ব প্রদান সম্পত্তির মালিকানার বৈধতা হানি ঘটায় না।"
- ✓ A rubber stamp can be put on khazna receipt as "The collection is made provisionally u/s 23 of WBLR Act on the basis of present use without prejudice to the applicability of provision u/s 4B & 4D of WBLR Act." This is also to avoid litigation. This means payment of land revenue as per use does not lead to automatic permission of conversion of land.

- ✓ Interest calculation= 
$$\frac{\text{Annual Revenue} \times \text{total year} (\text{total year} + 1) \times 6.25}{100 \times 2}$$

- ✓ There is no standard deduction like income tax. For non-exempted raiyat, the amount of revenue payable shall be determined on the basis of **total** quantum of land held by araiyat & his family. [Rule 15(1) of WBLR Rules, 1965]. *But in that case no land revenue & cess shall be charged for land used for Agricultural purpose (according to WBLR (Second Amendment) Act, 2017 w.e.f 07-11-2017).*
- ✓ The prescribed authority for the purpose of assessment & collection of Rural employment cess on **Tea estate** under sub section 2A of Sec. 4 of West Bengal Rural Employment & Production Act, 1976 is the 'Commissioner of Agricultural Income Tax, WB'. The prescribed authority for the assessment & collection of Primary Education Cess is also the 'Commissioner of Agricultural Income Tax, WB'. So our Dept. can validly collect Road cess, Public Works Cess & Rural Employment Surcharge from Tea estate.
- ✓ Lands held by religious/ charitable trust irrespective of their character have not been made revenue free under any provision of WBLR Act. However in Kolkata Land Revenue Act for NGO, carrying out charitable purpose has relief u/s 6(ab). But such NGO must be notified by State Govt. in the Official Gazette.
- ✓ For payment by cheque, particulars of cheque shall be written in the receipt & counterfoil at the bottom [Rule 209 of WBLR Manual, 1991].
- ✓ If raiyat paid revenue by challan against proper head of account, the challan must be duly checked & countersigned by a Revenue Officer of the block in which land is situated i.e. who has jurisdiction over that land [ Rule 17(5) of WBLR Rules, 1965].
- ✓ Lands belonging to **Brick fields** (as per Departmental circular no: 275(38)-M&M dt. 13-01-2006 & corrigendum memo no: 1299-M&M dt. 01-03-2006)
  - i) In Rural area : Rs. 1000/ acre (all the areas including klin, stack, office & other space),
  - ii) In Urban areas: a) Klin, Stack, Office: Rs.175/decimal to Rs.25/decimal as the case may be as per category of Municipality, b) Other space: Rs. 50/acre
  - iii) In Municipal areas within KMDA: a) Klin, Stack, Office: Rs.175/decimal (Presently Rs. 235) , b) Other space: Rs. 35/decimal (Presently Rs. 48)
  - iv) In Municipal Corporation of **Kolkata & Howrah** and **Bidhannagar** Municipality: a) Klin, Stack, Office: Rs.200/decimal (Presently Rs. 267), b) Other space: Rs. 45/decimal (Presently Rs. 61)

### Misconception

- A raiyat shall pay, in addition to the land revenue, a surcharge @ 10% of such revenue if the total area of land held by him is 4 hectares or more in one mouza.  
Actually In original chapter IV (i.e. before amendment), this provision was there in Sec 23B(c). After reintroduction of chapter IV, there is no such provision. So, there is no question of taking such surcharge from raiyat from 1408 BS.
- Exemption of land revenue u/s 24 only applies to agricultural land & land revenue for homestead land has to pay by the raiyat.  
Reality is such exemption u/s 24 extends to land as defined in section 2(7) of the Act i.e. land of every description & is not restricted to the agricultural land only.

### Checking of BS Account

See **Rule 313 of WBLR Manual, 1991**

- Revenue Inspector's office must be inspected at regular intervals.[Rule 22 of the WBLR Manual, 1991]
- BL&LRO will make a programme for Inspection with prior intimation to concerned RI.

- The Inspecting Officer will note his observation in 'Inspection Register' kept in RI office. A copy of his inspection report must be submitted at BL&LRO office for onward movement to higher authority.
- The Inspecting Officer should take notes from Register 94 (maintain at BL&LRO office) about the rent receipt books issued to the BhumiSahayak.
- The Inspecting Officer will collect some **revenue receipts** (RR) from the raiyat randomly & will check with RR book.
- The Inspecting Officer will check the entries in **Register III (Daily Collection Register)** with RR book & if found correct, give on the last receipt of the RR book a certificate "**Examined upto date**" with his signature in full, designation & date.
- Similarly the Inspecting Officer will check the entries in **Register IV (Cashbook)** with Register III & if found correct, give on the Register III a certificate "**Examined upto date**" with his signature in full, designation & date.
- Each cancelled receipt should have its duplicate attached to it & duplicate should be cancelled by Inspecting Officer.
- If found anomaly, report it to the higher authority.
- Check whether periodic deposits have been made at BL&LRO office or not.

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