

Abstract

The Union Parishad, the oldest elected organization at the grass-root level in Bangladesh but established fact is it is suffering from revenue crisis throughout its ages. For development, normally, the UP authority looks for government grant.

To find out its actual performance in fixing and collecting holding tax, to know the reasons of performance and to test their potentiality to generate holding tax, this study was carried out at five unions of Meherpur Sadar Upazila.

In five unions under study it was found that most of the holding (56.19 to 72.40%) are hut (including normal and developed) and rest are either semi-building or building in nature and their existing rate of holding tax is ranged from 13.75 taka to 79.00 taka from Normal Huts to Double Storied Buildings, respectively and UP authorities did not follow any specific rate in fixing holding tax; rather it was completely arbitrary in nature.

The demand of holding tax was exceptionally poor (1, 50,000 taka to 5, 60,000 taka) in unions but the rate of collection was highly frustrating (07.76 to 61.29%) and collection pattern was fully devoid of initiative.

Among five unions of Meherpur Sadar Upazila, by fixing demand of holding tax at 7% of taxable house rent, Pirojpur Union could earn 31,58,494.00 taka, simply 12.63 times more than the revenue demand of FY2005-2006; at the same rate, Amjhupi union could generate 27,13,226.00 taka what is 13.99 times more than the demand of the same year. Revenue generation capability of Kutubpur union would be 24, 62,955 taka and its increment is 16.42 times more. Buripota Union also could increase its revenue up to 18, 76,498.00 taka and it would be 11.44 times more and the potentiality of revenue generation of Amdah union would be 1723894.00 taka at the increase of 3.08 times of revenue demand of FY2005-2006.

From the study it was reveal that the most important cause was reluctance of UP authority to levy the holding tax from voters. Most of tax payers did not know the amount to be paid even, but there was strong positive correlation between knowing and paying. On the other hand, unskilled and unwilling tax collectors were involved in collecting tax and they think it as a means of additional income, not as a profession.

Finally, it can be concluded that, though UP authorities generated very poor amount of revenue as holding tax, they have ample potentiality to generate sufficient amount of revenue as holding tax but some necessary steps to be taken very sincerely.