

Parking tax drive: Bengaluru lawyers say most flat owners have usage rights, not ownership

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Bengaluru: Joining the growing criticism of over 31,000 showcase notices issued recently by Bruhat Bengaluru Mahanagara Palike (BBMP), senior lawyers have highlighted loopholes in the civic body's decision to levy property tax on parking areas.

Pointing out that usage rights do not amount to ownership, a number of lawyers told TOI that issuing notices was not a fair move by BBMP.

"Recent notices issued by BBMP to individual flat owners seeking property tax on car parking spaces raise serious legal and procedural concerns. In most cases, the registered sale deed

merely grants exclusive usage rights over parking, not ownership," said Prashanth Mirle, a real estate lawyer and a partner at India Law Practice.

"As per RERA, such spaces form part of the common area and are required to be transferred to the association of allottees. Usage rights alone do not create an assessable property interest for municipal taxation," he added.

Pointing to another loophole, the senior lawyer said: "These showcause notices are being raised with retrospective effect even though BBMP notification revising parking area rates was published on March 30, 2025. The notification does not have any provision on retrospective application. Taxing citizens for past years based on new or revised interpretations, without legal authority, violates Article 265 of the Constitution."

Another real estate lawyer urged BBMP to review its action. "In many cases, software inconsistencies during e-khata generation captured inflated or incorrect parking areas, leading to arbitrary assessments. These notices have led to confusion and anxiety among genuine homeowners. BBMP must immediately review its actions, correct systemic errors, and ensure no unlawful or retrospective demands are enforced against individual property owners," said the lawyer, who spoke on condition of anonymity.

Srikanth Narasimhan, founder of Bharatiya Nava Nirman Party, told TOI, "The Supreme Court judgment is very clear that parking spaces are a part of the common area and cannot be sold by builders separately to the owners. These are, anyway, included in the common area, which is part of the super built-up area on which people are already paying tax; not sure how BBMP is making these claims."