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AGRICULTURAL TAXATION IN BANGLADESH: ITS EFFICIENCY AND ADEQUACY

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ABSTRACT

This note deals on the role of land development tax as existed before April 1982. It was found that fiscal significance of land revenue to the overall budget revenue of the Government is *very* small. The share of land revenue has fallen in relation to other taxes in recent years. The ratio of land tax to agricultural income also registered a decline in last few years. Empirical evidence showed that all the farm size groups had arrest land tax due and the highest per acre arrear was due to the larger farms. Lack of funds and readily available cash were reported as important reasons for non-payment of land development tax by the farmers. The inequitibility of the land tax structure as analysed here calls for thorough improvement in the overall land tax system ; its structure, collection and administration.

I. INTRODUCTION

The tax-base of Bangladesh has been narrow and inelastic which is reflected in the low tax-GDP ratio. In 1978-79 the ratio of taxes to GDP was 7.9 percent which is much below the level attained by some other developing countries with comparable levels of per capita income. In spite of the fact that the larger part of tax revenue arises from indirect taxes, the tax mechanism failed generally to capture the inflationary gains and gains originating from speculative trade and business because of the simple nature of the economy. The share of land revenue was only 1.19 percent of total tax revenue in 1980-81 which is very low by any standard (GOB 1980; BBS 1981).

Empirical evidence indicates that the agricultural sector is under-taxed considering not only the share of agriculture in the national income, but also considering the existing

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burden of direct taxes on the non-agricultural sectors which increased from 0.57 percent of national income in 1958-59 to 2.85 percent in 1975-76 (Hossain 1978). Proposal for a graduated land tax in the First Five Year Plan remain unimplemented. The Planning Commission of Bangladesh and some economists recommended to increase agricultural taxes, specially land tax to raise government tax revenue (GOB 1980). However, to our knowledge, virtually no study was made to support empirically that recommendation.

The present study attempts to analyse the agricultural taxation structure of Bangladesh, the nature and volume of agricultural taxes paid by the farmers, and the efficiency and adequacy of the present land tax system in Bangladesh. Empirical data for the study was collected from 70 farm families from a purposively selected village of Paharpur in Sylhet district. Data were collected by survey method during September-October 1981 (see Das 1982 for details). In addition to above information, data from secondary sources, such as, government publications, were collected and analysed to demonstrate the importance of land development tax in the revenue budget of the country.

In section II, the present land revenue system and the fiscal significance of land development tax in the overall revenue budget of economy of Bangladesh are presented. In section III, the nature and extent of land development tax paid by the farmers are discussed. Evaluation of present tax structure is made in section IV and conclusions are drawn in the final section of the paper.

II. THE PRESENT LAND REVENUE SYSTEM AND FISCAL SIGNIFICANCE OF LAND DEVELOPMENT TAX

The Present Land Revenue System

The present land revenue system of Bangladesh is the creation of the East Bengal State Acquisition and Tenancy Act passed in 1950. (The Act eliminated all rent receiving interests and turned raiyats into direct tenants of the Government). The Act established a direct contact between the land owners and the Government. Section 100 of the Act provided that rent for any class of agricultural land can be assessed at a rate not exceeding one-tenth of the average price of the produce. For non-agricultural land, the maximum rent was stipulated at 0.25 percent of the value of land if it is used for commercial or industrial purpose. The maximum rate as provided by the Act was never realised by the Government from the land owners. After 1950, a number of ordinances were passed by which land owners were made to pay other taxes including land revenue. These are :

(i) Finance Ordinance (third), 1958, which imposed development and relief tax.

(ii) Basic Democrats Order 1958, which imposed a local tax for the local bodies.

(iii) Finance Act (xvii) 1967, which imposed an additional development and relief tax.

In 1972, the Bangladesh Government exempted all owners of land having upto 8.25 acres from paying land revenue by a Presidential Order (p. 0. 96—The State Acquisition and Tenancy Order 1972). The revenue demand of the Government for agricultural land was kept as before which was Taka 6.47 per acre from owners having above 8.25 acres, and Taka 2.72 per acre from owners of land upto 8.25 acres as other taxes except land revenue.

In 1976 a land development tax ordinance was passed by which land revenue and other taxes were merged together, to be called Land Development Tax (The Land Development Tax Ordinance No. XLII of 1976). In the later period the land development tax rate was modified. Under this, the land development tax rate for agricultural land was fixed to Taka 0.15 per decimal for owners of land above 8.25 acres and Taka 0.03 per decimal upto 8.25 acres. The analysis of the present study is based on this tax rate.

However, the Government revised the land development tax rate and introduced a progressive land tax rate under the Ordinance No. XV of 1982, effective from April 15, 1982. Different tax rates for different size holdings have been prescribed for agricultural land ; namely :

(1) Upto 2 acres : Tk. 0.03 for each decimal, the minimum demand being Tk. 1.00 only ;

(2) Above 2 acres but not exceeding 5 acres : Tk. 6.00 for the first 2 acres and then Tk. 0.15 for each additional decimal ;

(3) Above 5 acres but not exceeding 10 acres : Tk. 51.00 for the first 5 acres and then Tk. 0.36 for each additional decimal ;

(4) Above 10 acres but not exceeding 15 acres : Tk. 231.00 for the first 10 acres and then Tk. 0.60 for each additional decimal ;

(5) Above 15 acres but not exceeding 25 acres : Tk. 531.00 for the first 15 acres and then Tk. 0.95 for each additional decimal and

(6) Above 25 acres : Tk. 1481.00 for the first 25 acres and then Tk. 1.45 for each additional decimal.

Agricultural Income Tax

Agricultural Income Tax as a separate identity, was first imposed by the Bengal Agricultural Income Tax Act, 1944 (Bengal Act IV of 1944) from the year 1944-45. The taxable limit with some exceptions was set at more than taka 3500.00 per year. The exemption limit was lowered to Taka 3000.00 in a later period and this provision continued upto June 30, 1976.

Agricultural Income Tax was merged with general income tax and this ammendment of income tax act became effective from first July 1976. In the present system, income from agriculture is assessed along with other sources of income. In the year 1980-81, a relief of Taka 3600.00 was allowed from agricultural income, but this concession has however been withdrawn from the year 1981-82.

Fiscal Significance of Land Revenue to the Government

Land revenue does not occupy a singnificant position in relation to total tax revenue and total revenue of the Government (Table 1). Land revenue collection during the year 1972-73 was 1.39 percent of the total tax revenue and 1.13 percent of the total revenue of the government. The situation in other years are more or less similar. The highest percentage of land revenue to total tax revenue was 2.77 percent in the year 1977-78. Table 1 also shows that land revenue constitutes a very negligible proportion of total direct tax revenue of the government. The percentage of land revenue to total direct taxes increased little over the years, from 15.04 percent in 1972-73 to 16.66 in 1977-78.

The share of land revenue has fallen in relation to other taxes (Table 2). The relative contribution of land revenue to total revenue of the government was only 1.19 percent in 1980-81, as against 42.30 percent by custom duty, 21.48 percent by excise duty and 19.90 percent by sales tax.

The Ratio of Land Revenue to Agricultural Income

There is very little increase in total land revenue collection in relation to agricultural income over the last few years. In Table 2 land tax-agricultural income ratio shows no specific trend. Tax-income ratio increased regularly upto 1977-78 and thereafter showed erratic changes.

TABLE 1 : LAND REVENUE IN RELATION TO TOTAL TAX REVENUE, TOTAL REVENUE AND TOTAL DIRECT TAX OF THE GOVERNMENT OF BANGLADESH.

(in million Taka)

Year	Land Revenue	Total Tax Revenue	Total Revenue	Total Direct Tax	% of (1) to (2)	% of (1) to (3)	%of (1) to (4)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1972-73	25.40	1833.88	2235.53	166.45	1.39	1.13	15.04
1973-74	55.04	3100.60	3638.40	396.36	1.78	1.51	13.89
1974-75	87.19	5416.58	6455.81	850.52	1.61	1.35	9.19
1975-76	166.77	8269.05	9742.98	1418.31	2.01	1.71	11.72
1976-77	178.64	9033.89	10980.52	1283.72	1.98	1.63	13.92
1977-78	250.40	9033.91	—	1503.13	2.77	—	16.66
1978-79	163.60	11865.20	—	—	1.39	—	—
1979-80	200.70	13774.50	—	—	1.46	—	—
1980-81	210.50	17672.20	—	—	1.19	—	—

—not available

Sources : Statistical Year Book of Bangladesh, 1980 and Monthly Statistical Bulletin of Bangladesh, December 1981.

TABLE 2 : LAND REVENUE, CUSTOMS AND EXCISE DUTY AND SALES TAX IN RELATION TO TOTAL TAX REVENUE

Year	% of land revenue to total tax revenue	% of customs duty to total tax revenue	% of excise duty to total tax revenue	% of sales tax to total tax revenue
1972-73	1.39	38.03	29.97	11.66
1973-74	1.78	38.22	26.96	14.00
1974-75	1.61	28.00	27.76	11.43
1975-76	2.01	42.28	21.99	14.48
1976-77	1.80	37.57	26.39	15.99
1977-78	2.77	42.51	24.35	13.62
1978-79	1.39	42.25	21.55	20.57
1979-80	1.46	43.38	19.87	20.41
1980-81	1.19	42.30	21.84	19.90

Sources : Statistical Year Book of Bangladesh, 1980 and Monthly Statistical Bulletin of Bangladesh, December 1981

TABLE 3 : RATIO OF LAND REVENUE TO INCOME FROM AGRICULTURE

Year	Income from Agri-- culture (in million Taka)	Land revenue ((in million Taka)	Tax-Income Ratio
1974-75	71538	87.19	0.12
1975-76	49446	166.77	0.34
1976-77	44666	178.64	0.40
1977-78	61268	250.40	0.41
1978-79	67105	163.60	0.24
1979-80	81437	200.70	0.25
1980-81	92458	210.50	0.23

Source : Statistical Year Book of Bangladesh, 1980 and Monthly Statistical Bulletin of Bangladesh, December, 1981

Note : Income from agriculture includes only income from crops and livestock, and excludes income from forestry and fisheries.

III. THE NATURE AND EXTENT OF LAND TAXES PAID BY THE FARMERS

Land Development Tax

Land development tax which is popularly known as land tax in Bangladesh, was levied at a classified rate according to the size of each tax payer's land holdings and without regard to the income producing capacity of the land. Land holding were grouped into two categories for paying land tax. First category included those land holdings which were not more than 8.12 acres (25 bigha). The rate of land tax for this category of land holdings was Taka 3.00 per acre. The second category included land holdings having more than 8.25 acres which were required to pay land tax at a rate of Taka 15.00 per acre. The sample farms are divided into five size groups of holdings according to amount of land area owned by them. Group I includes those farms which owns below 1.5 acres, group II includes farms between 1.5 to 2.5 acres, group III between 2.5 to 5.0 acres, group IV between 5.0 to 8.25 acres and group V includes all farms owning more than 8.25 acres. (For details see Das, 1982).

The distribution of land holding is highly skewed (Table 4). Group I consists of 38.57 percent of househods and own only 10.44 percent of total land. On the other hand group V has only 5.71 percent of households which own 28.82 percent of total land. Column 6 (Table 4) shows that average land-man ratio is 0.55 acres, per head available land in group V is about three times of the average figures. On the other hand, it is only one third of the average figure in the case of group I.

TABLE 4 : DISTRIBUTION OF HOUSEHOLDS AND OWNED LAND ACCORDING TO SIZE GROUP :

Land ownership size group (acres)	No. of house-holds	Percen-tage	Total acres owned	% of total acres owned	Total number of family members	Land-man ratio
Group I (Below 1.5)	27	38.57	24.14	10.44	132	0.18
Group II (1.5-2.5)	15	21.43	37.41	16.18	94	0.40
Group III (2.5-5.0)	15	21.43	50.85	21.99	91	0.56
Group IV (5.0-8.25)	9	12.86	52.17	22.57	57	0.92
Group V (Above 8.25)	4	5.71	66.62	28.82	46	1.45
All groups	70	100.00	231.19	100.00	420	0.55

Source : Farm survey, 1981

Information were collected about the nature and extent of land tax paid by the farmers during the year of the study (1980-81). It was found that all the farm size groups had arrear land tax due (Table 5). However, the highest per acre arrear was due to the largest farm size group (V) followed by farm size group IV and I. The percentage of total land tax due was also found to be higher in cases of larger farm size groups. Abut 52 percent of total land tax was due to the highest farm size group V, followed by farm size groups IV and III which had 21 percent and 11 percent of total land tax due respectively. This shows the large farm's negligence or carelessness in paying land taxes regularly.

Reasons for Nan-payment of Land Tax

In the present study we found five different reasons for which land owners were unable to make payment of land tax regularly (Table 7).

Firstly, lack of funds for paying land tax was reported as the most important reason for non-payment. Out of 51 defaulters from 70 samples, 17 or 33.33 percent failed to pay their land tax due to this reason. Out of this 17 defaulters, 15 belonged to size group I, (i.e., 29.41 percent of total defaulters were from group I) who reported lack of fund as the main reason for default. The larger size groups (III, IV and V) had no problem of funds.

TABLE 5 : DISTRIBUTION OF LAND TAX AMONG DIFFERENT SIZE GROUP OF LAND OWNERS

Land ownership Size groups (acres)	Current years' land tax due (Taka)	Previous Years' Due		tTotal land tax due (Taka)	%of total land tax due	Average land tax due (Taka)	Per acre arrear (Taka)
		Arrear amount (Taka)	Interest on arrear (Taka)				
Group I (Bellow 1.5)	72.28	214.35	39.45	326.08	6.79	12.07	10.51
Group II (1.5-2.5)	112.12	250.68	55.47	418.27	8.71	27.88	8.18
Group III (2.5-5.0)	152.53	330.98	52.25	535.76	11.15	35.72	7.54
Group IV (1.5-8.25)	239.31	664.99	112.14	1016.44	21.16	112.94	14.90
Group V (Above 8.25)	999.30	1315.80	191.85	2506.95	52.19	626.74	22.63
All groups	1575.54	2776.80	451.16	4803.50	100.00	68.62	13.96

Secondly, lack of readily available cash at the payment time of land tax forced them to be defaulter. This was the common reason for all size groups. In the study area 29.41 percent of defaulters reported this as reason for non-payment of land tax timely. Low price of agricultural produces after harvest is the prime reason for the shortage of ready cash.

Thirdly, considerable portion of land owners (19.61) percent) failed to pay land tax due to their land records and ownership problems. Though they had financial capacity

to pay the taxes timely, some of them had to pay land tax through the original land owner, which was a troublesome job. This acted as disincentive for regular payment of land taxes.

Fourthly, joint proprietorship is also an important cause of irregular payment of land tax. This problem arises to the land owners who were under joint family system in the past. At present they are separated, but their ownership documents are in the name of their father or grandfather. So they have to pay tax against their father or grandfather. No individual owner can clear his arrear land taxes alone without having mutated the land in his own name. In the study area 9.80 percent of land owners failed to pay their land taxes due to this reason.

Lastly, another reason is the lack of reminder by land tax collecting authorities (i.e., Tehsildar) for paying land tax. In the present study it was found that, 7.84 percent of defaulters reported this reason for failure to pay land tax.

The above mentioned five reasons for non-payment of land taxes are not exclusive from each other. Sometimes two or more reasons affect a single farmer in paying land tax.

Table 7 also shows the association between the two attributes, size of land ownership and reasons for non-payment of land tax. The calculated value of $X^2=36.82$, which is significant at 1 percent probability level. The co-efficient of contingency between these two attributes is 0.65 (approximately). This high contingency between the two atrributes, size of ownership of land and reasons for non-payment of land tax, means that, there is causal relationship between these two variables.

IV. EVALUATION OF LAND TAX SYSTEM

Principles of Taxation and the Land Revenue System

As we have mentioned earlier, land revenue is a fixed charge on land in our country and is not adjused to fluctuations in production between good and bad years. The tax paying capacity of farmers with varying sizes of land holding would not be the same. In the study area, different size group of farms produce output of different value (Table 8). Ownership size groups I, II, III and IV paid land revenue at an equal rate of Taka 3.00 per acre, but the per head value of output produced by group IV was more than four times that of group I. So the rate of land tax for size group I and IV can not be taken as equitable. The land development tax is not personalized by introducing allowances for the tax payer's marital and dependency status, and other personal circumstances, like the number of school and college going children that bear upon his tax paying capacity.

TABLE 6 : REASONS FOR DEFAULTING LAND TAX BY DIFFERENT SIZE GROUP OF LAND OWNERS

Owner ship size group (acres)	Reasons					
	Lack of funds	Lack of readily available cash	Land records and ownership problem	Lack of reminder for paying taxes	Joint proprietorship problem	Total
Group I (Bellow 1.5)	15 (29.41)	4 (7.84)	2 (3.92)	—	—	21 (41.18)
Group II (1.5-2.5)	2 (3.92)	1 (1.96)	1 (1.96)	2 (3.92)	2 (3.92)	8 (15.69)
Group III (2.5-5.0)	—	6 (11.76)	5 (5.80)	1 (1.96)	1 (1.96)	13 (25.49)
Group IV (5.0-8.25)	—	3 (5.88)	2 (3.92)	1 (1.96)	1 (1.96)	7 (13.75)
Group V (Above 8.25)	—	1 (1.96)	—	—	1 (1.96)	1 (3.92)
(Above 8.25)	—	(1.96)	—	—	(1.96)	(3.92)
All groups	17 (33.33)	15 (29.41)	10 (19.61)	4 (7.84)	5 (9.80)	51 (100)

X^2=36.82 with d.f. 16
c=0.65

Figures in the parenthesis indicate percentage of total defaulters.

Source : Field Survey, 1981

TABLE 7 : GROSS OUTPUT PRODUCED BY DIFFERENT SIZE GROUPS

Ownership size group (acres)	Average value of output produced (Taka)	Average family member (family-size)	Value of output produced per family member (Taka)
Group I (Below 1.5)	4004.41	4.89	818.90
Group II (1.5 to 1.5)	8911.00	6.27	1421.21
Group III (2.5-5.0)	10196.00	6.07	1679.74
Group IV (5.0-8.25)	23880.00	6.33	3772.51
Group V (above 8.25)	50396.25	11.50	4382.28
All groups	11589.14	6.0	1931.52

Sources : Field survey 1981

Land revenue in Bangladesh consituted a classified proportional tax system. A land owner with 9.00 acre and another land owner with 27.00 acres paid land tax in the same rate of Taka 15.00 per acre which was not justified from equity point of view. Though, two rates of land tax existed in our country, the above analysis shows that the land tax system was not graraduated and progressive. The land revenue in Bangladesh is inelastic with respect to price and agricultural income. Table 9 shows that parity price was always in favour of the industrial sector. Taking 1969-70 as the base year, prices of industrial and agricultural products increased to 603.02 percent and 508.93 percent respectively in 1980-81. This implies that farmers purchased their inputs and other industrial products at a relatively higher prices than the prices received by them for their agricultural products.

But considering the increase in prices of agricultural commodities, per acre land tax rate was not increased, rather, decreased for land onwners having upto the maximum of

8.25 acres. Since prices of agricultural commodities increased by more than five times, the income of the farmer also increased, but those increased income remained untaxed. Increased agricultural income was much higher to offset the slight unfavourable parity price. So our rigid land revenue system failed to tax away a portion of the additional agricultural income to the government treasury. A part of the increased agricultural income can be realized by an appropriate flexible taxation system for economic development of the country.

TABLE 8 : INDEX OF WHOLESALE PRICES OF AGRICULTURAL AND INDUSTRIAL PRODUCTS AND PARITY PRICE BETWEEN AGRICULTURE AND INDUSTRY IN BANGLADESH.

Base : 1969-70

Year	Agricultural products	Industrial products	All groups	Parity price
1972-73	168.12	200.53	178.53	83.84
1973-74	228.41	294.24	249.56	77.63
1974-75	370.30	458.54	396.78	80.76
1975-76	339.96	400.68	359.47	84.85
1976-77	347.75	391.53	361.82	88.82
1977-78	396.58	431.59	407.82	91.89
1978-79	444.94	449.36	446.36	99.02
1979-80	481.41	543.95	501.51	88.50
1980-81	508.93	603.02	540.99	84.40

Source : Monthly Statistical Bulletin of Bangladesh, February 1982

Note : Parity price $= \frac{\text{Price index of agricultural products}}{\text{Price index of industrial products}} \times 100$

The present system of land revenue assessment does not take into consideration the cropping pattern, intensity of cropping and land use. All agricultural lands are treated equally. Every pond, fallow land, etc., is considered as agrcultural land. Land

revenue system in our country is not designed to bring about desired changes from one use of land resources to another. At present land tax as a fixed cost comprises a very insignificant proportion of total cost. This has little impact to the owners in the use of their land resources. It is assumed that if the tax rate was substantial the land owner would have been much more concerned about his land resources, its economic and profitable use.

The administrative efficiency of land revenue collection is also very poor. Table 10 shows that the administration cost of collecting land development tax is several times higher than the collection cost of other taxes. The following may be identified as the contributing factors for higeher administration cost of land revenue.

TABLE 9 : COST OF COLLECTION OF LAND TAX AND OTHER TAXES

Year	Land Tax		Other Taxes	
	Cost of collection (in million Taka)	Cost of collection as a % of total collection	Cost of collection (in million Taka)	Cost of collection as a % of total collection
1969-70	64.6	47.8	16.2	9.54
1970-71	69.2	230.7	14.8	16.16
1971-72	42.1	842.0	9.2	3.32
1972-73	75.5	297.2	22.6	3.31
1973-74	82.0	149.0	24.0	2.41
1974-75	94.1	107.9	26.2	1.39
1975-76	103.6	62.4	34.1	1.59
1976-77	118.2	70.4	41.6	1.71
1977-78(R.E.)	151.6	60.6	78.9	3.02

Source : Statistical Year Book of Bangladesh, 1980

* Other taxes include, excise, stamps and Registration

RE=Revised estimate.

Firstly, different level of revenue officials perform a veriety of other duties besides collecting Land revenue. As long as we are not in a position to ascertain the cost of collecting land revenue separetely from the cost of general administration, calculation of administration cost of land revenue will be upward biased.

Secondly, another important factor for higher administration costs of land revenue is the number of tax payers and their geographical distribution. Land revenue collection requires a large decentralized staff located in farming comunities all over the country. So cost of collection becomes higher. Furthermore, lack of adequately trained manpower, transport and communication facilities, seasonal nature of agricultural income and inaccurate land records are the other reasons for high cost of land revenue collection.

Organization and Gollection Procedure of Land Revenue

A long chain of revenue officers at different levels are involved in land revenue administration. But most of their functions are not related to collection of land revenue but to other aspects of land administration. Only "Tahsiladar" and Assistant "Tahsilders" are directly involved in collection of land tax. Their educational qualifications are poor. Virtually there are no training facilities for improving their efficiency. Furthermore, the number of assisting staff in a 'Tahsil' is inadequate in respect of requirement for making frequent visits to the villagers.

Another weakness of land revenue administration is that the land settlement and land transfer system is too much lengthy, complex and troublesome. In the study area, 29.40 percent of farmers reported this as reason for failure to pay their taxes.

The certificate procedure of collecting land tax is practically inoperative. The usual period of filing a certificate case against any defaulting land owner is 3 years after the last date of payment of land tax. But in the present study, 33.33 percent farms reported as defaulter in land tax for more than four years. So virtually certificate procedure of collecting arrear taxes are not followed strictly.

V. SUMMARY AND POLICY IMPLICATIONS

Land revenue does not occupy a significant position as a source of revenue to the government. It constituted only 1.19 percent of total tax revenue in 1980-81 and 16.66 percent of total direct taxes in 1977-78. The share of land revenue has also fallen in relation to

other taxes, such as customs duty, excise duty and sales taxes. It was found that land revenue collection increased very little in relation to agricultural income over the last few years.

It was found that all the farm size groups had arrear land tax due. The largest farm size group (V) had the highest per acre arrear. Lack of funds for paying land tax was reported as the most important reason for non-payment. Other reasons, such as, lack of readily available cash at the payment time of land tax and problems relating to land records and joint proprietorship of landed property also affected the regular payment of land revenue.

When the principles of taxation were applied it was found that land tax was not equitable. Although the per head value of output produced by farm size group IV is more than four times than that of group I, they paid land tax at the same rate of Taka 3.00 per acre. Though two rates of land tax existed, it was not graduated and progressive. Since 1972-73, prices of agricultural products increased by more than five times, but per acre land tax rate was not increased, rather, decreased for land owners having upto the maximum of 8.25 acres. Existence of a large administrative machinery and its inefficiency in land revenue collection are largely responsible for high cost of collection.

Policy implications of the study calls for appropriate actions on several directions. First, land tax system needs to be flexible and equitable. It should be able to provide sufficient revenue for the government. The land tax should be raised, particularly for holdings above 8.25 acres. Secondly, the administrative machinery of land revenue collection should be recast and reformed. The present system of land revenue collection also needs to be changed. All these should be directed in increasing the administrative efficiency and reducing the cost of collection of land revenue.

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