

**THE GUJARAT PANCHAYATS,
MUNICIPALITIES, MUNICIPAL
CORPORATIONS AND STATE TAX ON
PROFESSIONS, TRADERS, CALLINGS
AND EMPLOYMENTS ACT, 1976**

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**THE GUJARAT ⁺[PANCHAYATS, MUNICIPALITIES,
MUNICIPAL CORPORATIONS AND STATE] TAX ON
PROFESSIONS, TRADERS, CALLINGS AND
EMPLOYMENTS ACT, 1976**

[PRESIDENTS ACT NO. 11 OF 1976.*] [31st MARCH, 1976]

Amended by Gujarat 17 of 1977. w.e.f. 1-4-77

Amended by Gujarat 20 of 1978. w.e.f. 1-4-78

Amended by Gujarat 18 of 1981. w.e.f. 1-4-81

Amended by Gujarat 15 of 1982. w.e.f. 1-4-82

Amended by Gujarat 15 of 1985. w.e.f. 1-4-85

Amended by Gujarat 14 of 1989. w.e.f. 1-4-89

Amended by Gujarat 1 of 1990. w.e.f. 1-4-89

Amended by Gujarat 12 of 1990. w.e.f. 1-4-90

Amended by Gujarat 11 of 1997 w.e.f. 1-4-97

Amended by Gujarat 5 of 1999 w.e.f. 1-4-99

Amended by Gujarat 4 of 2002 w.e.f. 1-4-02

Amended by Gujarat 14 of 2004 w.e.f. 1-11-04

Amended by Gujarat 23 of 2006 w.e.f. 1-10-06

Amended by Gujarat 10 of 2008 w.e.f. 1-4-08

Enacted by the President in the Twenty-seventh year of the Republic of India.

AN ACT

To Provide for the levy and collection of a tax on professions, trades, callings and employment for the benefit of the State.

In exercise of the powers conferred by Section 3 of the Gujarat State Legislature (Delegation of Powers) Act, 1976, (44 of 1976) the President is please to enact as follows :-

* For reasons for the Enactment see G. G. G. Ex-ordi. Part IV, dated 31st March 1976, Page 105.

+ In the Long title, for the word "State" substituted by Guj.Act No.10 of 2008 Sec.2 w.e.f. 1-4-08
Note on Schedule :- In Gujarat budget 1999 Finance Minister announced that "the society gets the benefit experience of senior citizens who remains active in their field. I propose exemption from profession tax to profession tax payers who have crossed the age of 65 years i.e senior citizens i.e more then 65 years age. Total exemption in all the entries of profession tax from notified by notification under sec.26(A).

1. SHORT TITLE, EXTENT AND COMMENCEMENT :-

1. (1) This Act may be called ¹["**Gujarat Panchayats, Municipalities, Municipal Corporations and State] Tax on Professions, Traders, Callings and Employments Act, 1976.**"]

2. It extends to the whole of the State of Gujarat.

3. It shall come into force on the 1st of April, 1976.

2. DEFINITIONS :-

In this Act, unless the context otherwise requires, -

(a) "**Commissioner**" means the Commissioner of Profession Tax appointed under section 12, and includes an Additional Commissioner of Profession Tax (if any) appointed under that section :

1. Substituted by Guj. Act No.10 of 2008 Sec.2 for the word "State" w.e.f 1-4-08

¹["(aa) Designated Authority"

- (i) a Municipal Corporation of a City constituted under section 5 of the Bombay Provincial Municipal Corporations Act, 1949; (Bom. LIX of 1949)
- (ii) a Municipality as defined in clause (14) of section 2 of the Gujarat Municipalities Act, 1963; (Guj. 34 of 1964)
- (iii) (a) a village panchayat constituted under section 9 of the Gujarat Panchayats Act, 1993; (Guj. 18 of 1993)
- (b) a taluka panchayat constituted under section 10 of the said Act; and
- (c) a district panchayat constituted under section 11 of the said Act; or, as the case may be, the State Government, and includes, where such Municipal Corporation, Municipality or, as the case may be, Panchayat has been superseded or dissolved, a person or persons appointed to exercise the powers or to perform the functions of such Municipal Corporation, Municipality or Panchayat, designated as such, subject to such conditions and for such class of persons mentioned in column 2 of Schedule I for such area, by the State Government by notification in the *Official Gazette* for the purposes of levy and collection of tax under this Act;”];

(b) **"employer"** in relation to an employee earning any salary or wages on a regular basis under him, means the person or the officer who is responsible for disbursement of such salary or wages, and includes the head of the office or any establishment as well as the manager or agent of the employer

(c) **"month"** means a month reckoned according to the British calendar.

(d) **"person"** means any person who is engaged in any profession, trade, calling or employment in the State of Gujarat, and includes a Hindu undivided family, firm, company, corporation or other corporate body, any society, club or association, so engaged, but does not include any person who earns wages on a casual basis;

²["**Explanation.- Every branch of a firm, company, corporation or other corporate body, any society, club or association shall be deemed to be a person and a separate assessee for the purpose of levy of tax under this Act;”.**]

(e) **"prescribed"** means prescribed by rules made under this Act;

³[(ee) **"Prescribed authority"** means the officer appointed under sub-section(1) of section 12]

1 This Clause (aa) was inserted by Guj. Act No.10 of 2008. Sec-3(1). w.e.f. 1-4-08

2 Added by Guj Act No.10 of 2008. in Sec-3(2) w.e.f 1-4-08

3 These new clause, inserted by Guj. Act No. 23 of 2006 Sec.2(1) w.e.f. 1-10-2006.

(f) **"profession tax" or "tax"** means the tax on profession, traders, callings and employment levied under this Act;

(g) **"salary" or "wage"** includes pay or wages, dearness allowance and all other remunerations received by any person on regular basis, whether payable in cash or kind. and also include perquisites, and profits in lieu of Salary as defined in section 17 of the Income-tax Act, (43 of 1961). ¹[but does not include any form of bonus or gratuity]

(h) **"Schedule"** means a Schedule appended to this Act.

(i) **"Tribunal"** means the ²[Tribunal constituted under section 19 of the Gujarat Value Added Tax Act 2003. (Gujarat Act. No. 1 of 2005) and discharging the functions of the Tribunal assigned to it by or under this Act:

(j) **"year"** means the financial year.

3. LEVY AND CHARGE OF TAX :-

(1) Subject to the provisions of article 276 of the Constitution and of this Act, there shall be levied and collected a tax on professions, trades, callings and employment ³[**"by the Designated Authorities for the benefit of the Panchayats, Municipalities, Municipal Corporations or, as the case may be, the State"**]

⁴[**"(2) Every person engaged in any Profession, Trade, Calling or Employment and falling under one or the other of the classes mentioned in column 2 of Schedule I shall be liable to pay the tax to the Designated Authority at such rate fixed by it but not exceeding the amount mentioned against the class of such person in the said Schedule:**

Provided that the rates of tax for the class of persons mentioned in entry 1 of the said Schedule shall be fixed by the State Government by notification in the Official Gazette :

Provided further that the tax so payable in respect of any one person shall not exceed two thousand and five hundred rupees in any year:

Provided also that the State Government may, by notification in the Official Gazette, specify the minimum rate of tax for each of such class mentioned in column 2 of Schedule I, below which tax shall not be levied by the Designated Authority and

1. These words were inserted by Guj. 17 of 1977. Sec-2. w.e.f. 1-4-77

2. These words and figures were substituted for the words and figures "Gujarat-Sales Tax Tribunal Constituted under section 28 of the Gujarat Sales Tax Act, 1969 (Guj. 1 of 1970)" by Guj. Act. No. 23. of 2006 Sec. 2(2) w.e.f. 1-10-2006.

3. These words a figures were substituted for the words and figures "for the benefit of the State" by Guj Act No.10 of 2008 Sec.4(1) w.e.f 1-4-2008

4. Substituted for Sub-Section (2) by Guj Act No.10 of 2008 Sec 4(2) w.e.f 1-4-08

different limits may be fixed for different Designated Authorities and the minimum rate so notified shall be levied till the Designated Authority fixes some other rate under the provisions of this Act:

Provided also that the State Government may, by notification in the *Official Gazette*, specify the class of persons other than those mentioned in entries 1 to 9 in Schedule I, to whom entry 10 in that Schedule shall apply:

Provided also that the tax shall not be levied from the persons mentioned below Schedule I"]

BEFORE SUBSTITUTION ABOVE ENTRY (2) READ AS UNDER UP TO 31-3-08

(2) Every person engaged in any profession, trade, calling or employment and falling under one or the other of the classes mentioned in column 2 of Schedule. 1 shall be liable to pay to the State Government the tax at the rate mentioned against the class of such person in column 3 of the said Schedule.

Provided that the tax so payable in respect of any one person shall not exceed two thousand and five hundred rupees in any year :

"Provided further that the State Government may, from time to time, by notification in the *Official Gazette*, specify the class of persons other than those mentioned in entries 1 to 9 in Schedule 1 to whom entry 10 in that Schedule shall apply and the rate (not exceeding two thousand rupees every year) at which the tax shall be payable by the class of persons so specified.

¹["(3) Where a person falls under more than one entry in Schedule-1, he shall be liable to pay the ²**[Designated Authority]** the tax under such one of these entries where the rate of tax specified is the highest.

(4) A person falling under any of the entries 2 to 10 in Schedule-1 shall be liable to pay the tax for the year irrespective of whether he is engaged in the profession, trade calling or employment during the whole of such year or any part thereof]

³["(5) Where a person falling under any of the entries in Schedule I is liable to pay the tax to more than one Designated Authority, he shall pay the tax to the Designated Authority where the tax liability is highest:

Provided that where a person produces a certificate to the effect that the tax has been paid by him to the Designated Authority where the liability of tax is highest, the tax shall not be levied by any other Designated Authority.".]

4. EMPLOYER'S LIABILITY TO DEDUCT AND PAY TAX ON BEHALF OF EMPLOYEES :-

The tax payable under this Act by any person earning a salary or wage, shall be

1. Sub-section (3) & (4) were added by Guj.14 of 1989. S-2(2) w. e. f. 1-4-89
2. These words a figures were substituted for the words and figures "State Government" by Guj Act No.10 of 2008 Sec.4(3) w.e.f 1-4-2008
- 3.. This new sub-section 5 was inserted by Guj Act No.10 of 2008 S-4(4) w.e.f 1-4-08

deducted by his employer from the salary or wage payable to such person, before such salary or wage is paid to him, and such employer shall, irrespective of whether such deduction has been made or not, when the salary or wage is paid to such person, be liable to pay tax on behalf of all such persons.

Provided that, if the employer is an officer of Government, the State Government may, notwithstanding anything contained in this Act, prescribe by rule's the manner in which such employer shall discharge the said liability;

¹**Provided** further that where any person earning a salary or wage, who is covered by entry 1 of Schedule-1.

- (a) is also covered by one or more entries in Schedule I and the rate of tax specified under such other entry, or if he is covered by more than one other entry, the highest of the rates of tax specified under those entries is more than rate of tax specified under entry I in that Schedule by which he is covered; or
- (b) is simultaneously engaged in employments of more than one employer, and such person furnishes to his employer or employers a declaration in the prescribed form to the effect that he has obtained a certificate of enrolment under sub-section (2) of section 5 and that he shall pay the tax himself, no deduction or payment of tax shall be made by the employer or employers under this section and such employer or employers, as the case may be, shall not be liable to pay the tax on behalf of such person.]

5. REGISTRATION AND ENROLMENT :-

(1) Every employer not being an officer of Government liable to pay tax under Section-4 shall obtain a certificate of registration from the prescribed authority in the prescribed manner.

(2) Every person liable to pay tax under this Act (other than a person earning salary or wages, in respect of whom the tax is payable he his employer) shall obtain a certificate of enrolment from the prescribed authority in the prescribed manner.

(3) The prescribed authority shall mention in every certificate of enrolment the amount of tax payable by the holder according to Schedule I and the date by which it shall be paid, and such certificate shall serve as a notice of demand for purposes of section 10.

(4) Every employer or person required to obtain a certificate of registration or enrolment shall, within such period as may be prescribed, or, if he was not engaged in any profession, trade, calling or employment on the date of the commencement of this Act, within such period from the date of commencement of his profession, trade, calling

1. This proviso was inserted by Guj.17 of 1977 S-3 w.e.f 1-4-77

or employment, ¹[or, as the case may be, within such period from the date of his becoming liable to pay tax] as may be prescribed, or in respect of a person referred to in sub-section (2) within such period from the date of his becoming liable to pay tax at a rate higher or lower than the one mentioned in his certificate of enrolment as may be prescribed, apply for a certificate of registration or enrolment, or a revised certificate of enrolment, as the case may be, to the prescribed authority in the prescribed form, and the prescribed authority shall, after making such inquiry as may be necessary within thirty days of the receipt of the application (which period in the first year from the commencement of this Act shall be extended to ninety days), if the application is in order, grant him such certificate.

(5) Where an employer or a person liable for registration or enrolment ²[has without reasonable cause failed] to apply for such certificate within the required time, the prescribed authority may, after giving him a reasonable opportunity of being heard, impose a penalty not exceeding twenty rupees for each day of delay in case of an employer and not exceeding ³**[Ten rupees]** for each day of delay in case of others.

(6) Where an employer or a person liable for registration or enrolment has deliberately given false information in any application submitted under this section, the prescribed authority may, after giving him a reasonable opportunity of being heard, impose a penalty not exceeding one thousand rupees.

6. RETURNS :-

⁴(1) Every employer registered under this Act shall furnish to the prescribed authority, a return in such form, for such periods and by such dates as may be prescribed, showing therein the salaries and wages paid by him and the amount of tax deducted by him in respect thereof;

Provided that the Commissioner may, subject to such terms and conditions as may be prescribed, exempt any such employer from furnishing such return or permit any such employer, —

- (i) to furnish them for such different periods, or
- (ii) to furnish a consolidated return to all or any of the places or work of the employer in the State where such employer ordinarily carries on his employment, for the said period or for such different periods, as he may direct, to the prescribed authority.]

(2) Every such return shall be accompanied by a treasury challan or any other documents

1. These words were inserted by Guj. 20 of 1978, Sec-2(1) w.e.f. 1-4-78
2. These words were substituted for the words "has wilfully failed" *ibid.*, Sec-2(2) w.e.f. 1-4-78
3. **These words were substituted for the words "Five Rupees" by Guj Act No.10 of 2008, Sec-5 w.e.f. 1-4-08**
4. Sub-section (1) was substituted for the original by Guj. 17 of 1977. Sec-4. w.e.f. 1-4-77

as may be prescribed in proof of payment of full amount of tax due according to the return, and a return without such proof of payment shall not be deemed to have been duly filed.

(3) Where an employer ¹[has without reasonable cause failed] to file such return within the required time, the prescribed authority may, after giving him a reasonable opportunity of being heard, impose upon him a penalty not exceeding ²[Ten rupees] for each day of delay.

7. ASSESSMENT OF EMPLOYERS :-

(1) If the prescribed authority is satisfied that the return filed by any employer is correct and complete, he shall accept the return.

(2) (a) If the prescribed authority is not satisfied that the return filed is correct and complete he shall serve upon employer a notice required him to attend in person or through an authorised representative, and to produce accounts and papers in support of the return, on a date specified in the notice.

(b) The prescribed authority shall on examination of, accounts and papers, assess the amount of tax payable by the employer.

(c) If the employer fails to comply with the terms of the notice, or if in the opinion of the prescribed authority the accounts and papers are incorrect or incomplete or unreliable, the said authority shall, after such inquiry as he deems fit or otherwise, assess the tax due, to the best of his judgment.

(3) If an employer ³[has without reasonable cause failed] to get himself registered or being registered has failed any return, the prescribed authority shall, after giving the employer a reasonable opportunity of being heard and after holding such inquiry as he deems fit, or otherwise pass an order assessing the amount of tax due, to the best of his judgment.

(4) The amount of tax so assessed shall be paid within fifteen days of receipt of the notice demand from the prescribed authority.

⁴[7A. ASSESSMENT OF OTHER PERSONS :-

(1) If a person liable to obtain a certificate of enrolment under sub-section (2) of section 5 has failed to get himself enrolled or, being enrolled, has failed, to make payment of the whole or any part of the amount of tax a required by or under this Act, the prescribed authority shall, after giving such person a reasonable opportunity of being heard, and after holding such enquiry as he deems fit, or otherwise, determine the amount of tax due from him,

1. These words were substituted for the words "has wilfully failed" by Gujarat 20 of 1978. Sec-3. w.e.f. 1-4-78

2. These words were subs. for the words "Five Rupees" by Guj Act No.10 of 08, Sec-6 w.e.f 1-4-08

3. These words were substituted for the words "has wilfully failed" by Guj. 20 of 1978. Sec-4 w.e.f. 1-4-78

4. Section-7-A was inserted by Guj. 20 of 1978 Sec-5. w.e.f. 1-4-78

and if such amount cannot be determined properly on the basis of the available material, determine the same to the best of his judgment.

(2) The amount of tax due as so determined shall be paid within fifteen days of receipt of the notice of demand from the prescribed authority.]

8. PAYMENT OF TAX :-

(1) The tax payable under this Act shall be paid in the prescribed manner.

(2) The amount of tax due from enrolled persons for each year as specified in their enrolment certificate shall be paid —

- (a) in the case of a person who stand enrolled before the commencement of a year or is enrolled on or before the 31st of August of a year, before the 30th day of September of that year, and
- (b) in the case of a person is enrolled after the 31st day of August of a year, within one month of the date of enrolment.

¹[**Provided** that the tax payable under clause (a) May, for the year ending on the 31st March, 1990, be paid on or before the 30th day of November, 1989]

9. CONSEQUENCES OF FAILURE TO DEDUCT OR TO PAY TAX :-

(1) If an employer (not being an officer of Government) does not deduct the tax at the time of payment of salary or wage, or after deducting fails to pay the tax as required by or under this Act, he shall without prejudice to any other consequences and liabilities which he may incur, he liable to pay, in addition to the amount of tax, simple interest at ²[One and a half per cent], of the amount of the tax due tor each month or part thereof for the period for which the tax remains unpaid.

(2) If an Enrolled person fails to pay the tax as required by or under this Act, he shall be liable to pay in addition to the amount of tax. simple interest at the rate and in the manner laid down in sub-section (1)

10. PENALTY FOR NON-PAYMENT OF TAX :-

If an enrolled person or a registered employer, fails without reasonable cause, to make payment of any amount of tax within the required time or date as specified in the notice of demand, the prescribed authority may, after giving him a reasonable opportunity of being heard, impose upon his a penalty not exceeding fifty per cent, of the amount of tax due.

1. This Proviso was Inserted by Guj. 10 of 1990 w.e.f. 1-4-1989

2. These words substituted for the words "two percent" by Guj. Act No. 23 of 2006 Sec. 3 w.e.f. 1-10-2006.

¹[11. RECOVERY OF TAX ETC. AS ARREARS OF LAND REVENUE :-

(1) All arrears of any tax, penalty, interest or fees due under this Act from any person shall be recoverable as arrears of land revenue.]

²[(2) For the purpose of effecting recovery of the amount of tax, penalty, interest or fees due from any person by or under the provisions of this Act, as arrears of land revenue,—

- (i) the Commissioner of Profession Tax, ⁵[**and the Additional Commissioner of Profession Tax**] shall have and exercise all the powers and perform all the duties of the Collector under the Bombay Land Revenue Code, 1879; (Bom. V of 1879.) *[(hereinafter in this section referred to as" the said code)"]
- (ii) ⁴[the Deputy Commissioners] of Profession Tax shall have and exercise all powers (except the powers of arrest and confinement of a defaulter in civil jail) and perform all the duties of Assistant or Deputy Collector under said Code;
- (iii) ³[XXX] the Profession Tax officers, shall have and exercise all the powers (except the powers of arrest and confinement of a defaulter in a civil jail) and perform all the duties of the Mamlatdar under the said Code;
- ³[(iv) XXXX]

BEFORE DELETION CLAUSE (IV) READ AS UNDER

- (iv) the Profession Tax inspectors shall have and exercise all the powers of [the assistant commissioner of profession tax and the Profession Tax officer in clause (iii) of this sub-section (except the powers of confirmation of sale)

(3) Every order passed in exercise of the powers conferred by sub-section (2) shall, for the purpose of section 13, 14, and 25 be deemed to be an order passed under this Act]

¹[11.A. STATE EMPLOYMENT PROMOTION FUND :-

[* * *]]

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- 1. Section II and II-A were substituted for original section 11 by Guj. 20 of 1978. Sec-6 w.e.f. 1-4-78
 - 2. Sub-section (2) and (3) were substituted for original section (2) by Gujarat Act No.18 of 1981. Sec-2. w.e.f. 1-4-81
 - 3. **deleted by Gujarat Act No. 10 of 2008 Sec 7(2) & (3) w.e.f 1-4-08**
 - 4. Substituted by Guj. Act No. 14 of 2004 S.2 w.e.f.1-11-2004
 - 5. **These words Substituted by Guj.Act No.10 of 2008 Sec 7(1) for the words "the Additional Commissioners of profession tax and the Joint commissioner of profession Tax" w.e.f 1-4-08**
 - + These are added by Guj. Act No. 23 of 2006 Sec. 4 w.e.f. 1-10-2006.

12. AUTHORITIES FOR IMPLEMENTATION OF THE ACT :-

- (1) ²“(a) For carrying out the purposes of this Act, the State Government may, for each Designated Authority, appoint an officer to be the Commissioner of Profession Tax.”;]

BEFORE SUBSTITUTION SEC 12(1)(A) READ AS UNDER

- (1) (a) For carrying out the purposes of this Act, the State Government may appoint
- (i) an officer to be the Commissioner of Profession Tax for the whole of the State of Gujarat;
 - (ii) one or more officers to be the additional Commissioner of Profession Tax as the State Government thinks necessary;
 - (iii) such number Joint Commissioner of Profession Tax Deputy Commissioners of Profession Tax, Assistant Commissioners of Profession Tax and Profession Tax Officers and other officers and persons (with such designations) as the State Government thinks necessary.
- ³“(aa) For carrying out the purposes of this Act, the Designated Authority may appoint such other officers as an Additional Commissioner of Profession Tax and such number of Deputy Commissioners of Profession Tax, Profession Tax Officers and other officers and persons not below such ranks, as the State Government may specify in this regards, with such designation.”;]
- (b) An officer appointed under ⁴**[clause (a) or (aa)]** shall, within the limits of such area as ⁴**[Designated Authority may, by Order"]** specify, to be within his jurisdiction, exercise such powers and perform such duties as may be conferred or imposed upon him by or under this Act.
- (c) The superintendence and control for the proper execution of the provisions of this Act and the rules made thereunder relating to the levy and collection of the tax shall vest in the Commissioner.

(2) The Tribunal constituted under ⁵[Section 19 of the Gujarat Value Added Tax Act, 2003, (Guj. Act. No.1 of 2005)] shall be the Tribunal for the purposes of hearing appeals and revision applications and discharging other functions of the Tribunal under this Act, and accordingly the provisions of that Act relating to the Tribunal including section ⁶[19], and the regulations (subject to such amendments as may be made therein in their application to the Tribunal for the purposes if this Act) made thereunder shall apply to or in relation to such Tribunal for the purposes of this Act;

¹**Provided that the Tribunal may with the previous sanction of the State Government,**

1. Section II.A. were substituted for the original section II, by Guj. 20 of 1978 Sec-6 w.e.f. 1-4-78 and deleted by Guj. 12 of 1990. w.e.f. 1-4-90.
2. **This Clause was Substituted by Guj Act No. 10 of 2008 Sec. 8(1) (i) w.e.f 1-4-08**
3. **Inserted by Guj Act No. 10 of 2008 Sec 8(1) (ii) w.e.f 1-4-08**
4. **These were Substituted by Guj Act No. 10 of 2008 Sec 8(1)(iii) (a) & (b) w.e.f 1-4-08**
5. These were substituted by Guj. 23 of 2006 w.e.f. 1-10-2006.
- 6.. These words substituted for the words "28" by Guj. Act. No. 23 of 2006 w.e.f. 1-10-2006.

make separate regulations for the purpose of regulating its procedure and the disposal of its business, under this Act and the regulations so made shall be published in the **Official Gazette.**]

(3),(4),(4A),(5) & (6) ³[* * *]

BEFORE DELETION SUB-SEC (3),(4) (4A) (5) &(6) READ AS UNDER

(3) For carrying out the purposes of this Act, the State Government may, at its discretion, appoint any Government Department or officer, or a Municipal Corporation, Municipality or District Panchayat (hereinafter called "the Collecting Agent") as its agent responsible for the levy and collection of the tax under this Act from such persons or class of persons as may be prescribed; and thereupon, it shall be the duty of such Collecting Agent to carry out in such manner as may be prescribed, such functions under this Act as may be prescribed, and to render to Commissioner in such manner and or such time as that officer or employee may require full and complete accounts of the tax lived and collected.

Note :- refer-Noti.No. (GHN-99) PFT-2006 S.12 (3) (14) TH. dt. 20-9-06.

(4) Any officer or employee authorised by the Collecting Agent in this behalf shall have for the purposes of levy and collection of the tax all the powers of the prescribed authority and such powers may be prescribed.

(4A) The amount of tax collected by collecting agent shall be credited to the consolidated fund of the State

(5) Where the State Government appoints Municipal Corporation, Municipality or Panchayat as its collecting Agent under sub-section (3), there shall be paid to the collecting Agent such percentage of the amount of tax collected by it as the state government may be order, in writing determine

Note :- refer - Noti. No. (GHN-100) PFT-2006-S.12 (5) (12) TH. 20-9-06.

(6) It shall be lawful for the Commissioner, or an officer duly authorised by him, to have access to, and to cause production and examination of books, registered, accounts or documents maintained or required to be maintained by the Collecting Agent for the purpose of this Act, and the Collecting Agent shall, whenever called upon to do so, produce such books, register, accounts or documents for inspection by the Commissioner or by the authorised officer.

13. APPEAL :-

(1) Subject to such rules as made by State Government, any person or employer aggrieved by any order made under section, 5, 6, 7, 9, 10, 15 or 16 may appeal against such order to -

(a) the ²[Deputy Commissioner], if the order is passes by any prescribed authority or officer subordinate to him;

(b) The ¹[Additional Commissioner], if the order is passed by the [Deputy Commissioner]; and

~~(c) the Tribunal, if the order is passes by any officer not below the rank of~~

1. This proviso was added by Guj. 20 of 1978 5.7. w.e.f. 1-4-78

2. These words substituted by Guj. Act. No. 14 of 2004 w.e.f. 1-11-04

3. Deleted by Guj. Act. No. 10 of 2008 Sec 8(2) w.e.f. 1-4-08

¹[Additional Commissioner.]

(2) No appeal shall be entertained after the expiry of sixty days from the date of receipt of demand notice or receipt of demand notice or receipt of the order;

Provided that, the appellate authority may admit the appeal after the expiry of the aforesaid period, if it is satisfied that there was sufficient cause for the delay.

(3) No appeal shall be entertained, unless the amount of tax or penalty or interest in respect of which the appeal has been preferred has been paid in full;

Provided that in any particular case the appellate authority may dispense with the requirement of such payment if it is of opinion that such requirement will cause undue hardship to appellant.

(4) The appellate authority in disposing of an appeal, may

- (i) confirm, annul, reduce, enhance, or otherwise modify the assessment or penalty or interest, or
- (ii) set aside the assessment or penalty or interest and direct the authority which made the assessment or imposed the penalty or charged the interest to pass a fresh order further inquiry on specified points.

(5) No order under this section shall be passed without giving the appellant or his representative, and where the appellate authority is the Tribunal, without giving the authority whose order or direction is the subject of the appeal or his representative, a reasonable opportunity of being heard.

14. REVISION :-

(1) Any order passed in appeal under section 13 may, on an application being made in this behalf, be revised by -

- (a) **¹[the Additional Commissioner,]** if the order is passed by the [Deputy Commissioner;]
- (b) the Tribunal, if the order is passed by the **¹[Additional Commissioner.]**

(2) The Commissioner may, of his own motion, revise any order passed by any authority other than the Tribunal under this Act.

(3) Any order passed by the **¹[Additional Commissioner]** under sub-section (1) or by the Commissioner under sub-section (2) may be revised by the Tribunal.

(4) No revision shall be entertained under sub-section (1) or sub-section (3) after the expiry of sixty days from the date of receipt of the order;

Provided that, no order shall be revised by the Commissioner under this sub-section after the expiry of three years from the passing of that order.

(5) No order under this section shall be passed without giving the applicant or the assessee a reasonable opportunity of being heard.

15. RECTIFICATION OF MISTAKES :-

(1) Any authority under this Act may, of his motion or on an application being made in this behalf, rectify any mistakes apparent on the face of the record.

(2) Any authority under this Act may review its own order if any employer has been under assessed for any period;

Provided that no order adversely affecting an employer or a person, shall be passed under this section unless a reasonable opportunity of being heard has been given to such employer or person.

Provided further that, no order shall be reviewed after expiry of three years from the date on which it is passed.

16. ACCOUNTS :-

(1) If the Commissioner is satisfied that the books of accounts and other documents maintained by an employer in the normal course of his business are not adequate for verification of the returns filed by the employer under this Act, it shall be lawful for the Commissioner to direct the employer to maintain the books of accounts or other documents in such manner as he may in writing direct, and thereupon the employer shall maintain such books of accounts or other documents accordingly.

(2) Where an employer wilfully fails to maintain the books of accounts or other documents as directed under sub-section (1), the Commissioner may, after giving him a reasonable opportunity of being heard impose a penalty not exceeding ¹[Ten rupees] for each day of delay.

17. SPECIAL MODE OF RECOVERY :-

(1) Notwithstanding anything contained in any law for the time being in force or contract of the contrary. The Commissioner may, at any time, by notice writing, a copy of which shall be forwarded to the assessee at his last address known to the Commissioner, require -

- (a) any person from whom any amount of money is due, or may become due to an assessee on whom a notice demand has been served under this Act, or
- (b) any person who holds or any subsequently hold money for or on account of such assessee, to pay to the Commissioner, either forthwith upon the

1 These are substituted by Guj. Act. No. 10 of 2008 Sec 11 w.e.f. 1-4-08 for the words "Five rupees"

money becoming due or being held or at or within the time specified in the notice (but not before the money becomes due or is held as aforesaid), so much of the money as is sufficient to pay the amount due by the assessee in respect of the arrears of tax, penalty and interest under this Act, or the whole of the money when it is equal to or less than that amount.

Explanation :- For the purposes of this section, the amount of money due to as assessee from, or money held for or on account of an assessee by, any person, shall be calculated after deducting there from such claims (in any) lawfully subsisting, as may have fallen due for payment by such assessee to such person.

(2) The Commissioner may, at any time, amend or revoke any such notice, or extend the time for making any payment in pursuance of the notice.

(3) Any person making any payment in compliance with a notice under this section shall be deemed to have made the payment under the authority of the assessee, and the receipt of the Commissioner shall constitute a good and sufficient discharge of the liability of such person, to the extent of the amount referred to in the receipt.

(4) Any person discharging any liability to the assessee after receipt of the notice referred to in this section, shall be personally liable to the Commissioner to the extent of the liability discharged, or the extent of the liability of the assessee for tax, penalty and interest, whichever is less.

(5) Where a person to whom a notice under this section is sent proves to the satisfaction of the Commissioner that the sum demanded or any part thereof is not due to the assessee or that he does not hold any money for or on account of the assessee, then nothing contained in this section shall be deemed to require such person to pay any such sum or part thereof, as the case may be, to the Commissioner.

(6) Any amount of money which a person is required to pay to the Commissioner or for which he is personally liable to the Commissioner under this section, shall if it remains unpaid be recoverable as an arrear of land revenue.

18. PRODUCTION AND INSPECTION OF ACCOUNTS AND DOCUMENTS AND SEARCH OF PREMISES :-

¹[The Commissioner or any Officer Authorised by the Commissioner] under this Act may inspect and search any premises, where any profession, trade, calling or employment liable to taxation under this Act is carried on and may cause production and examination of books, register, account or document as may be necessary :

Provided that, ¹[The Commissioner or any Officer Authorised by the

Commissioner] removes from the said premises any book, register, account or document, he shall give to the person in charge of the place, a receipt describing the book, register, account or document so removed by him and retain the same only for so long as may be necessary for the purposes of examination thereof for a prosecution.

²[19. REFUND OF EXCESS PAYMENT :-

The prescribed authority shall refund to a person the amount of lax, penalty, interest or fee (if any), paid by such person in excess of the amount due from him under this Act. The refund may be made either by cash payment or, at the option of the person entitled to such refund, by deduction of such excess from the amount of tax, penalty, interest or fee due from him :

Provided that the prescribed authority shall first apply such excess towards the recovery of any amount due from such person in respect of which a notice under sub-section (4) of section 7 or, as the case may be, sub-section (2) of section 7A has been issued, and shall then refund the balance (if any)]

³[19-A. REMISSION OF TAXES :-

(1) Subject to such conditions as it may impose the Government may, if it is necessary so to do in the public interest or to grant concession in case of double taxation or to redress an inequitable situation, remit by an order either generally or specially, the whole or any part of the tax payable in respect of any period by any class of persons.

(2) The Commissioner may, in such circumstances and subject to such conditions and limits as may be prescribed, remit the whole or any part of the tax payable in respect of any period of any person or any class of persons.]

20. OFFENCES AND PENALTIES :-

Any person or employer who without sufficient cause, fails to comply with any of the provisions of this Act or the rules framed thereunder shall, on conviction, be punished with fine not exceeding five thousand rupees and when the offence is a continuing one, with fine not exceeding fifty rupees per day during the period of the continuance of the offence.

21. OFFENCES BY COMPANIES :-

(1) Where an offence under this Act has been committed by a company every person who at the time of the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of any company, as well as the

1. *These are substituted by Guj. Act. No.10 of 2008 Sec 12(1) w.e.f. 1-4-08 for "Said Authority"*
2. *Section 19 was substituted for original section by Guj. 20 of 1978. w.e.f. 1-4-78*
3. *Section 19-A was inserted by Guj. 18 of 1981 Sec-3. w.e.f. 1-4-81.*

company shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly :

Provided that, nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where any offence under this Act has been committed by a company and it is proved that the offence has been committed with consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation :- For the purposes of this section -

- (a) **"Company"** means any body corporate and includes a firm or other association of individuals ; and
- (b) **"director"**, in relations to a firm, means a partner in the firm.

22. POWER TO TRANSFER PROCEEDINGS :-

The Commissioner may, after giving the parties a reasonable opportunity of being heard, wherever it is possible to do so, and after recording his reasons for doing so, by order in writing, transfer any proceedings or class of proceedings under any provision of Act, from himself to any other officer, and he may likewise transfer any such proceedings (including a proceeding pending with any other officer or to himself:)

Provided that nothing in this section shall be deemed to require any such opportunity to be given where the transfer is from any officer to any other officer any offices of both are situated in the same city, locality or place.

Explanation :- In this section, the word "proceedings", in relation to any assessee whose name is specified in any order issued thereunder, means all proceedings under this Act in respect of any year, which may be pending on the date of such order or which may have been completed on or before such date, and includes also all proceedings under this Act which may be commenced after the date of such order in respect of any year in relation to such assessee.

23. COMPOUNDING OF OFFENCES :-

(1) Subject to such conditions as may be prescribed, the Commissioner may, either before or after the institution of proceedings for an offence under this Act, permit any person charged with the offence to compound the offence on payment of such sum, not exceeding double the amount of tax to which the offence relates, as the Commissioner may

determine.

(2) On Payment of such sum, as may be determined by the Commissioner under sub section, (1), no further proceedings shall be taken against the person in respect of the same offence.

24. POWER TO ENFORCE ATTENDANCE ETC. :-

All authorities under this Act, shall, for the purposes of this Act, have the same powers as are vested in court under the Code of Civil procedure, 1908, while trying a suit, in respect of enforcing the attendance of and examining, any person on oath or affirmation or for compelling the production of any document.

25. BAR TO PROCEEDINGS :-

(1) Not suit shall lie in any civil court to set aside or modify any assessment made or order passes under this Act.

(2) No suit, prosecution, or other legal proceedings shall lie against any authority under this Act or against any employer for anything done or intended to be done in good faith under this Act or the rules made thereunder,

¹[26. POWER TO DELEGATE :-

(1) ²[The Designated Authority may by passing a resolution in this behalf and by publishing the same in the *Official Gazette*], delegate to the Commissioner —

³[(a) its powers of appointment of officers and persons, other than an Additional Commissioner under clause (aa) of sub-section (1) of section 12, and]

BEFORE SUBSTITUTION SUB-SEC(1)(A) READ AS UNDER

- (a) its powers of appointment of officers (no being powers relating to the appointment of Joint Commissioner of Profession Tax) and persons, under paragraph (iii) of clause (a) of sub-section (1) of section 12, and
- (b) its powers of specifying areas under clause (b) of sub-section (1) of section 12 in respect of officers appointed by the Commissioner under the powers delegated to him under clause (a); and

the Commissioner shall exercise the powers delegated to him under this sub-section subject to such conditions and restriction as may be specified ⁴[in the resolution.]

(2) The Commissioner may, subject to such conditions and restrictions as the State

1. Section 26 was substituted for original by Guj. 14 of 1989. Sec-3. w.e.f. 1-4-89.

2. Substituted by Guj. Act No. 10 of 2008 Sec 13(1) (i) w.e.f. 1-4-2008.

3. Substituted by Guj. Act No. 10 of 2008 Sec 13(1) (ii) for w.e.f. 1-4-2008

4. Substituted by Guj. Act No. 10 of 2008 Sec 13(1) (iii) for "in the Notification" w.e.f. 1-4-2008..

Government may he general or special order impose, by order in writing delegate to any of the authorities subordinate to him ¹[XXX] either generally or a respect any particular matter or class of matters any of his powers under this Act.]

¹[26-A. POWER TO EXEMPT :-

Subject to such conditions as it may impose, the Designated Authority may, after obtaining prior approval of the State Government, if it considers it necessary so to do in public interest, by resolution to be published in the *Official Gazette*, exempt any class of person from payment of whole or any part of the tax payable under the provisions of this Act.”.]

BEFORE DELETION SEC. 26A READ AS UNDER

(1) Subject to such conditions as it may impose, the State Government may, if it considers it necessary so to do in the public interest, by notification in the *Official Gazette*, exempt any class of persons from payment of the whole or any part of the tax payable under the provisions of this Act.

(2) Every notification issued under sub-section (1) shall be laid for not less than thirty days before the State Legislature as soon as may be after it is issued an shall be subject to rescission by the State Legislature or to such modifications as the State Legislature may make during the session in which it is so laid or the session immediately following.

(3) Any rescission or notification so made by the State Legislature shall be published in the *Official Gazette* and shall thereupon take effect.

27. POWER TO MAKE RULES :-

(1) The State Government may, by notification in the *Official Gazette*, make rules for carrying out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may, provide, for all or any of the following matters, namely :

-
- 1 Deleted by Guj. 10 of 2008 Sec 13(1) (iv) w.e.f 1-4-08 for the words "or to the Officer authorised by the collecting Agent under sub-section (4) of section 12"
 - 2 Substituted by Guj 10 of 2008 Sec 14 w.e.f 1-4-08

- ¹(a) the manner in which an employer referred ²[in the first proviso to Section-4] shall discharge the liability under that sub-section and the form in which a person shall furnish a declaration to his employer or employers under the second proviso to the said sub-section (1).:]
- (b) the authority from which and the manner in which a certificate registration and a certificate of enrolment shall be obtained under sub-section (1) and (2) of sec-3; and the authority to which and the form in which and the period within which an application for a certificate of registration or enrolment or a revised certificate of enrolment shall be made under sub-section (3) of section 5;
- (c) the authority to be specified for the purposes of sub-sections (4), (5) and (6) of section 5, sub-section (3) of section 6, section 7, 10 and 19;
- ³[(d) the authority to which, the form in which the periods for which, and the dates by which, a registered employer return or permit, under the proviso to sub-section (1) of section 6;
- (dd) the terms and conditions subject to which, the Commissioner may exempt an employer from furnishing return or permit, under the proviso to sub-section (1) of section 6;]
- (e) the manner in which the tax shall be paid under sub-section (l) of Section-8.
- ⁴[(f) [XXX]

Before Deletion Clause (f) read as under

- (f) persons or class of persons from whom the Collection agent shall be responsible for the levy and collection of tax and the manner in which and the functions which the Collecting Agent shall carry out, under sub-section (3) of section 12; and the other powers which an officer or employee] authorised by the Collecting Agent shall have for the purposes of levy and collection of tax under sub-section (4) of section 12;
- (g) rules subject to which an appeal may be made under section 13.
- (h) the conditions subject to which the Commissioner may permit any person charged with an offence to compound the offence, under sub-section (1) of section 23

-
1. Clause (a) was substituted for the original Guj. 17 of 1977, Sec-6(i) w.e.f. 1-4-77.
 2. These words and figure were substituted for the words, brackets and figures "in the first proviso to sub-section (1) of section 4" Guj. 20 of 1978 Sec-9. w.e.f. 1-4-78
 3. These clauses were substituted for clause (d) by Guj. 17 to 1977, , Sec-6.(ii) w.e.f. 1-4-77
 4. Deleted by Guj Act No.10 of 2008 Sec 15(1) w.e.f 1-4-08

- (i) the fees Payable in respect of any application to be made, forms to be supplied, certificate to be granted and appeals and application for revision to be made under this Act;
- (j) any other matter which is or may be prescribed under this Act.

¹[(3) [XXX]

Before Deletion Proviso read as under

The rules made under this section shall be subject to the condition of previous publication:

Provided that if the State Government is satisfied that circumstances exist which render it necessary to take immediate action, it may dispense with the previous publication of any rules to be under this Act.

(4) All rules made ²**[by the State Government]** under this section shall be laid for not less than thirty days before the State Legislature as soon as may be after they are made and shall be subject to rescission by the State Legislature or to such modification as the State Legislature may make during the session in which they are so laid or the session immediately following.

(5) Any rescission or modification so made by the State Legislature shall be published in the *Official Gazette* and shall thereupon take effect.

³**“(6) For carrying out the purposes of this Act, the Designated Authority may make such rules not inconsistent with the provisions of this Act under its relevant law mentioned in clause (aa) of section 2 of this Act.”.]**

⁴**[28. AMENDMENT OF CERTAIN ENACTMENTS :-**

The enactments specified in column 2 of Schedule II are hereby amended in the manner and to the extent specified in column 3 of thereof :]

Before Substitution Sec. 28 read as under

(1) The enactments specified in column 2 of Schedule II are hereby amended in the manner and to the extent specified in column 3 of thereof :]

Provided that nothing in the said amendment shall affect or be deemed to affect

- (i) any right, obligation or liability already acquired, accrued or incurred for anything done or differed, in respect of any period preceding the date of coming into force these amendments;

1 Deleted by Guj Act No.10 of 2008 Sec 15(2) w.e.f 1-4-08

2 Inserted by Guj Act No. 10 of 2008 Sec 15(3) w.e.f 1-4-08

3 Inserted by Guj Act No. 10 of 2008 Sec 15(4) w.e.f 1-4-08

4 Substituted by Guj Act No. 10 of 2008 Sec 16 w.e.f 1-4-08

- (ii) any legal proceeding or remedy whether initiated to availed of before or after date of coming into force of these amendments, in respect of any such right, obligation or liability.

(2) They levy, assessment or recovery of any tax or the imposition or recovery of any penalty, in respect of such period, under the provisions of the enactment referred to in sub section (1) and all proceedings under them, in respect of all matters aforesaid; shall be initiated and disposed of, or continued and disposed of, as the case may be, as if this Act had not been enacted.

¹[29. GRANTS TO DESIGNATED AUTHORITIES :-

“Out of the proceeds of the tax and penalties, interest and fees recovered before the commencement of the Gujarat Tax on Professions, Trades, Callings and Employments (Amendment) Act, 2008 (Guj 10 of 2008) (hereinafter referred to as “the said Act”) or recoverable after such commencement as a result of previous operation of the Act under clause (a) of section 31, there shall, under the appropriation duly made by law, be paid annually to such local authorities as were levying a tax on professions, trades, callings and employments before the commencement of the said Act.”.]

Before Substitution Sec. 29 read as under

29. GRANTS TO LOCAL AUTHORITIES FOR LOSS OF REVENUE :-

Out of the proceeds of the tax and penalties and interest and fees recovered under this Act, there shall, under appropriation duly made by law, be paid annually to such local authorities as were levying a tax on professions, trades, callings and employments, immediately before the commencement of this Act, and whose power to levy such tax has been withdrawn under the provisions of this Act. such amounts on the basis of the highest conditions made by them in any year during the period of three years immediately preceding the commencement of this Act, as may be determined by the State Government in this behalf.

¹[30. POWER OF STATE GOVERNMENT TO GIVE DIRECTIONS :-

“The State Government shall have the powers to issue directions to the Designated Authorities from time to time as may be required for the compliance of the provisions of this Act and the rules made thereunder and the Designated Authority shall, notwithstanding any provision in the relevant law, be bound to comply with such directions.]

¹[31. SAVINGS :-

Nothing in the amendments made by the Gujarat State Tax on Professions, Trades, Callings and Employments (Amendment) Act, 2008 (Guj. 10 of 2008.) (hereinafter referred to as “the said Act”) shall affect or be deemed to have affected,

- (a) the previous operation of any provision of the Act or anything done or suffered under the said provisions before the commencement of the said Act;
- (b) any right, privilege, obligation or liability acquired, accrued or incurred under the said provisions before the commencement of the said Act;
- (c) any penalty, forfeiture or punishment incurred in respect of any offence committed against the provisions of the Act before the commencement of the said Act; or
- (d) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid,

and any such investigation, legal proceeding or remedy may be instituted, continued or enforced and any such penalty, forfeiture or punishment may be imposed as if the said Act had not been passed.”.]

THE GUJARAT PANCHAYATS, MUNICIPALITIES, MUNICIPAL CORPORATIONS AND STATE TAX ON PROFESSIONS, TRADERS, CALLINGS AND EMPLOYMENTS ACT, 1976

[Operative from 1-4-2008 to update]⁺

¹SCHEDULE-I

[See section 3 and section 5(3)]

RATES OF TAX ON PROFESSION; TRADES, CALLINGS AND EMPLOYMENTS

Sr. No.	Class of Persons	Maximum Rate of Tax (in Rs.)
1.	2.	3.
1.	(A) Salary and Wage earners of the State Government, Central Government, Panchayats, Public Sector Undertakings of the State and the Central Government, and Grant-in-aids institutions, whose monthly salaries or wages are - (i) less than Rs.3,000/- (ii) Rs.3,000/- or more but less than Rs.6,000/- (iii) Rs.6,000/- or more but less than Rs.9,000/- (iv) Rs.9,000/- or more but less than Rs.12,000/- (v) Rs. 12,000/- or more. Explanation I.- Where any salary or wages are payable according to any period other than a month, the monthly salary or wages shall, for the purpose of this entry, be reckoned on the basis of the actual amount of salary or wages paid or payable for a month. Explanation II.- Where a person ceases to be a salary or wages earner before the end of any month, his liability to pay the tax for that month shall be proportionately reduced.	Zero 200/- per month 200/- per month 200/- per month 200/- per month
	(B) Salary and Wage earners other than those mentioned in sub-entry (A), whose monthly salaries or wages are - (i) less than Rs.3,000/- (ii) Rs.3,000/- or more but less than Rs.6,000/- (iii) Rs.6,000/- or more but less than Rs.9,000/- (iv) Rs.9,000/- or more but less than Rs.12,000/- (v) Rs. 12,000/- or more Explanation I.- Where any salary or wages are payable according to any period other than a month, the monthly salary or wages shall, for the purpose of this entry, be reckoned on the basis of the actual amount of salary or wages paid or payable for a month. Explanation II.- Where a person ceases to be a salary or wages earner before the end of any month, his liability to pay the tax for that month shall be proportionately reduced.	Zero 200/- per month 200/- per month 200/- per month 200/- per month

1. Subs. by Guj Act No. 10 of 2008 Sec 19 w.e.f 1-4-08 for Schedule I & II

+. Rate of tax from 1-4-08 refer Noti No. (GHN.10) PFT-2008-S-3(2)(3) Th dt 1-4-08

Sr. No.	Class of Persons	Maximum Rate of Tax (in Rs.)
1.	2.	3.
	(v) Public Limited or Private Limited Companies registered under the Companies Act, 1956 (1 of 1956) and engaged in any profession, trade or calling. (vi) Individuals or Institutions conducting Chit Funds. (vii) Banking companies as defined in the Banking Regulation Act, 1949 (10 of 1949). (viii) Co-operative Societies registered or deemed to be registered under the Gujarat Co-operative Societies Act, 1961 (Guj. X of 1962)- (a) State Level Societies and District Level Societies engaged in any profession, trade or calling. (b) Co-operative Sugar Factories and Co-operative Spinning Mills. (ix) Estate Agents or Estate Brokers or Building Contractors. (x) Owners of Video Parlours or Video Libraries or both and where any Video Parlours or Video Libraries or both are leased, the lessees thereof.	2500/- per annum 2500/- per annum 2500/- per annum 2500/- per annum 2500/- per annum 2500/- per annum 2500/- per annum
4.	Firms registered under the Indian Partnership Act, 1932 (IX of 1932) which are engaged in any professions, trades or callings.	2500/- per annum
5.	Occupiers of factories as defined in the Factories Act, 1948 (63 of 1948).	2500/- per annum
6.	Employers of establishments as defined in the Bombay Shops and Establishments Act, 1948 (Bom. XXXIX of 1948), where on an average employees employed in the establishment during a year are more than five per day.	2500/- per annum
7.	Dealers as defined in the Gujarat Value Added Tax Act, 2003 (Guj. 1 of 2005) whose annual gross turnover of all sales or of all purchases is- (i) not more than Rs.2,50,000/- (ii) more than Rs.2,50,000/- but not more than Rs.5,00,000/- (iii) more than Rs.5,00,000/- but not more than Rs.10,00,000/- (iv) more than Rs. 10,00,000/- Explanation.- For the purpose of this entry, the term, 'year' shall mean the year as defined in clause (36) of section 2 of the Gujarat Value Added Tax Act, 2003 (Guj. 1 of 2005).	Zero 2500/- per annum 2500/- per annum 2500/- per annum

Schedule-1

Sr. No.	Class of Persons	Maximum Rate of Tax (in Rs.)
1.	2.	3.
8.	Holders of permits for transport vehicle granted under the Motor Vehicles Act, 1988 (59 of 1988) which are used or adapted to be used for hire or reward, where any such person hold permits for more than two transport vehicles buses, taxis, trucks or three wheelers goods vehicles. Explanation.- Persons residing together as members of one family and holding separate permits shall be one person for the purposes of this entry.	2500/- per annum
9.	Money lender licensed under the Bombay Money-Lenders Act, 1946 (Bom. XXXI of 1947).	2500/- per annum
10.	Persons other than those mentioned in any of the preceding entries, who are engaged in any professions, trades, callings or employments and in respect of whom a notification is issued under the fourth proviso to sub-section (2) of section 3.	2500/- per annum

Exemptions :- The following persons shall be exempted from the payment of tax under any of the entries 2 to 10 of this Schedule :-

- (1) Companies in respect of which orders for winding up are passed under the Companies Act, 1956 (1 of 1956) from the date of such orders.
- (2) Co-operative Societies under liquidation from the date of the commencement of liquidation proceedings.
- (3) A primary co-operative society, the members of which are workers who are carrying on the activity of the society by their own labour.

***[SCHEDULE II**
(See section 28)

Sr. No.	Enactments	Amendments
1.	2.	3.
1.	The Bombay Provincial Municipal Corporations Act, 1949(Bom. LIX of 1949).	In section 127, in sub-section (2), - (1) after clause (a), the following clause shall be inserted, namely :- “(b) subject to and in accordance with the provisions of the Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976 (President’s Act No.11 of 1976) and the rules made thereunder, a tax on professions, trades, callings and employments;”; (2) in clause (f), the words “a tax on professions, trades, callings and employments or” shall be deleted.
2.	The Gujarat Municipalities Act, 1963(Guj. 34 of 1964).	In section 99, in sub-section (1), - (1) after clause (xiv), the following clause shall be inserted, namely :-” (xiv-a) subject to and in accordance with the provisions of the Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976 (President’s Act No.11 of 1976) and the rules made thereunder, a tax on professions, trades, callings and employments;”; (2) in clause (xv), the words “a tax on professions, trades, callings and employments or” shall be deleted.”.
3.	The Gujarat Panchayats Act, 1993(Guj. 18 of 1993).	1. In section 200, - (1) in sub-section (1), - (a) after clause (ix), the following clause shall be inserted, namely :- “(ix-a) subject to and in accordance with the provisions of the Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976 (President’s Act No.11 of 1976) and the rules made thereunder, a tax

Sr. No.	Enactments	Amendments
1.	2.	3.
		on professions, trades, callings and employments;”; (b) in clause (x), the words “or tax on professions, trades, callings and employments” shall be deleted; (2) after sub-section (5), the following sub-section shall be inserted, namely :- “(5A) Notwithstanding anything contained in sub-section (1), where a tax on professions, trades, callings and employments has been imposed by any panchayat under the provisions of this Act in the area within the limits of a village panchayat, it shall not be lawful for any other panchayat, so long as the tax is being so imposed, to levy such tax within such limits.”. 2. In section 206, in sub-section (2), - (1) clause (b) shall be renumbered as sub-clause (i) of that clause, and in sub-clause (i) as so renumbered, after the words “such tax or fee”, the brackets, words, figures and letters “(other than tax levied under section 3 of the Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976, (President's Act No. 11 of 1976) read with clause (ix-a) of sub-section (1) of section 200)” shall be inserted; (2) after sub-clause (i), as so renumbered, the following sub-clause shall be inserted, namely :- “(ii) Total amount of gross collection of tax levied under section 3 of the Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976 (President's Act No. 11 of 1976) read with clause (ix-a) of sub-section (1) of section 200, in any financial year in any area within the jurisdiction of a village panchayat shall not form part of the taluka fund,

Sr. No.	Enactments	Amendments
1.	2.	3.
		but shall be assigned to the concerned village panchayat.”. 3. In section 210, - (1) clause (b) shall be renumbered as sub-clause (i) of that clause, and in sub-clause (i) as so renumbered, after the words “such tax or fee”, the brackets, words, figures and letters “(other than tax levied under section 3 of the Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976 (President’s Act No. 11 of 1976) read with clause (ix-a) of sub-section (1) of section 200)” shall be inserted; (2) after sub-clause (i), as so renumbered, the following sub-clause shall be inserted, namely :- “(ii) total amount of gross collection of tax levied under section 3 of the Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976 (President’s Act No. 11 of 1976) read with clause (ix-a) of sub-section (1) of section 200, in any financial year in any area within the jurisdiction of a village panchayat shall not form part of the district fund, but shall be assigned to the concerned village panchayat.”.

GUJARAT STATE TAX ON PROFESSIONS, TRADES, CALLINGS AND EMPLOYMENTS ACT, 1976

[Operative from 1-4-97 to 31-3-2008]

¹SCHEDULE-I

[See section 3 and section 5(3)]

RATES OF TAX ON PROFESSION; TRADES, CALLINGS AND EMPLOYMENTS

S.No. 1	Class of persons 2	Rate of tax 3
1.	Salary and Wages earners, whose monthly Salaries or Wages or (i) Less than Rs. 3,000 (ii) Rs. 3,000 or more but less than Rs. 6,000 (iii) Rs. 6,000 or more but less than Rs. 9,000 (iv) Rs. 9,000 or more but less than Rs. 12,000 (v) Rs. 12,000 or more	Nil Rs. 20 per month. Rs. 40 per month. Rs. 60 per month. Rs. 80 per month.

Explanation I :- Where any salary or wages are payable according to any period other than a month, the monthly salary or wages shall for the purpose of this entry, be reckoned on the basis of the actual amount of salary or wages paid or payable for a month.

Explanation II :- Where a person ceases to be a salary or wage earner before the end of any month, his liability to pay the tax for that month shall be proportionately reduced.

2. (1) (a) Legal practitioners including solicitors and notaries public.
- (b) Medical practitioners including medical consultants and dentist.
- (c) Technical and professional consultants, including Architects, Engineers, RCC Consultants, Tax Consultants, Chartered Accountants, Actuaries and Management Consultants.
- (d) Chief Agents, Principal Agents, Special Agents, Insurance Agents and Surveyors of Loss Assessors, registered or licenced under the Insurance Act, 1938. (4 of 1938)
- *[(e) [xxx]]
- (f) All contractors other than building contractors.

1. (i) Schedule I was substituted by Guj. 12 of 1990, s.3. effective from 1-4-90
- (ii) This Schedule I is extensively amended by Guj. II of 1997. s.2 w.e.f. 1-4-97.
- (iii) Schedule I as operative during 1-4-90 to 31-3-97 is printed on page 28 for read reference.
- + Item (e) "Plumbers" deleted by Guj Act No.4 of 2002 Sec.2 w.e.f. 1-4-2002

- (g) Commission agents, Dalals and brokers other than estate brokers.
- *[(h) Automobile Brokers.
- (i) Tour operator or Travel Agents.
- (j) Cable TV Operators.
- (k) Film Distributors
- (l) Owners of Advertising Agencies.
- (m) Owners of Tuition Classes or Tutorial Institutions.
- (n) Owners of Institutes or Service Providers engaged in computer education or training, or on-line information and database service through computer network.
- (o) Owners of Driving Schools.
- (p) Owners of Marriage Halls and Party Halls.
- (q) Angadia or Courier Services Providers.
- (r) Owners of Health Clubs and Recreation Clubs.]

¹[(A)	where the person is not liable to income tax and whose standing in the profession of calling mentioned above is.	
	(i) upto five year	Nil
	(ii) more than five years but not more than ten years	Rs. 150 every year
	(iii) more than ten years	Rs. 500 every year.
(B)	Where the person is liable to income tax and engaged in the profession of calling mentioned above	Rs. 1,000 every year

(2) Nothing in this entry shall apply to a person whose annual income exclusively earned out of the profession or calling or both of them in the year immediately preceding does not exceed ²[Rs. 3,6000]

- 3.** (i) Members of Association recognised under the Forward Contract (Regulation) Act. 1952. (74 of 1952) Rs. ³[500] every year
- (ii) Members of stock exchanges recognised under the securities Contract (Regulation) Act, 1956(42 of 1956.) Rs. ³[500] every year
- (iii) Owners of oil pumps and service stations year and where any oil pumps and service stations are leases thereof. Rs ³[500] every year.

* Item "(h) to (r) inserted by Guj. Act No.4 of 2002 Sec. 2 w.e.f. 1-4-2002.

1. This portion was substituted for the portion "where the standing..... Rs.250 every year" by Guj. II of 1997. S.2 (2)(a) w.e.f. 1-4-97 for pre-substituted portion pl. refer to old sch. I on P. 28.

2. These were substituted for "Rs. 10,000" by Guj. II of 1997 Sec-2(2)(b) w.e.f. 1-4-97.

3. These were substituted for "Rs. 250" by Guj. II of 1997. S.2. (3) (a) w.e.f. 1-4-97.

(iv) Licenced foreign liquor vendors and employers of Residential hotels and theatres as defined in the Bombay Shops and Establishments Act, 1948. (Born. LXXIX of 1948)	Rs. ¹ [500] every year.
² [(v) Companies registered under the Companies Act, 1956 and engaged in any profession, trade or calling.	
(a) Private Limited Companies	Rs. 500 every year.
(b) Public Limited Companies	Rs. 1,000 every year.]
(vi) Individuals or institutions conducting chit funds	Rs. ³ [1,000] every year
(vii) Banking companies as defined in the Banking Regulation Act, 1949. (10 of 1949)	Rs. ³ [1,000) every year
(viii) Co-operative societies registered or deemed to be registered under the Gujarat Co-operative Societies Act., 1961 (Guj. X of 1962)	
(a) State level societies and district level societies engaged in any profession, trade or calling.	Rs. 250 every year.
(b) Co-operative sugar factories and co-operative spinning mills	Rs. 250 every year.
(ix) Estate agents or estate brokers or building contractors.	⁴ [Rs. 500] every year
(x) Owners of video parlours or video libraries or both and where any video parlours or video libraries or both are lease, the lessees there of.	⁵ [Rs. 500] every year.
4. Partners of firms registered under the Indian Partnership Act., 1932. (IX of 1932) which are engaged in any professions, trades or callings.	⁵ [Rs. 500] every year. [upto 31-3-99]

Explanation I :- Where partners of a firm registered under the India Partnership Act., 1932 (IX of 1932) are liable to pay tax under this entry, the firm shall not be liable to pay tax under entries 2 and 3 and entries 5 to 10 of the Schedule.

Explanation - II :- The liability of a partner to pay tax shall be limited to the extent of such liability of the firm of which he is a partner, to pay tax, as would have arisen under any of those entries if the firm had not been exempt under this explanation.

-
1. These were substituted for "Rs. 250" by C-ijj. II of 1997. S.2. (3) (a) w.e.f. 1-4-97.
 2. This item (v) was substituted by Guj. II of 1997, s.2.(3)(b) w.e.f. 1-4-97 For pro substituted Item 3(v) Pl. refer old. sch. I 1-4-90 to 31-3-97 on page 39.
 3. These wee substituted for "Rs. 250" Guj. II : of 1997, 2. Sec-(3)(c), w.e.f. 1-4-97.
 4. These were substituted for "Rs. 2511" by (Guj. II of 1997. S.2 (3) (d). w.e.f. 1-4-97.
 5. These were substituted for "Rs. 250" by Guj. 1] of 1997.S.2 (4) (d). w.e.f. 1-4-97.

Exemptions :- (1) Where the prescribed authority certifies that in a receding year the annual gross turnover of all sales or of all purchases of firm which is registered under the Indian Partnership Act. 1932 (IX of 1932) an which is a dealer as defined in the Gujarat Sales Tax Act., 1969 (I of 1970) has not exceeded ¹[five lakhs of rupees]. The partners of such firm shall not be liable to pay tax for the year.

(2) Where the prescribed authority certifies that the income of partner of a firm, which is not a dealer as defined in the Gujarat Sales Tax Act. 1969 (Guj. I of 1970) from any profession, trade or calling carried on by such firm, during the preceding year has not exceeded ²[thirty six thousand rupees], such partner shall not be liable to pay tax for the year.

- | | | |
|-----------------|---|------------------------------------|
| ³ 4. | Firms registered under the Indian Partnership Act, 1932 (IX of 1932) which are engaged in any professions, trades or callings, (w.e.f. 1-4-99) | Rs. 1000 every year] |
| 5. | Occupiers of factories as defined in the Factories Act. 1948 (63 of 1948) (not being dealers covered by entry) | ⁴ [Rs. 500] every year. |
| 6. | Employers of establishments as defined in the Bombay shops and Establishments Act, 1948 (Bom. XXXIX of 1948) (not being dealers covered by entry 7), where on an average employees employed in the establishment during a year are more than five per day, if the establishment is situated in, | |
| (i) | a city | Rs. 250 every year, |
| (ii) | a municipal Brought, the population of which as ascertained at the last preceding census is more than 1,00,000 and in the area adjoining such municipal brought to the extent of 3 kilometres from its limits. | Rs. 200 every year |
| (iii) | a specified area | Rs. 150 every year. |

Explanation I :- for purposes of item (iii) of this entry and item (iii) of entry 9, the expression "*specified area*" means -

- (a) (i) a district borough, or
(ii) a local area

the population of which as ascertained at the last preceding census is more than 25,000 but not more than 1,00,000.

-
1. These were substituted for "One lakhs of rupees" by Guj. II of 1997, Sec-2.(4)(b). w.e.f. 1-4-97.
 2. These were substituted for "Rs. 250" by Guj. II of 1997, Sec-2(5) w.e.f. 1-4-97.
 3. These entry were substituted by Guj. 5 of 1999 Sec-2 w.e.f 1-4-99.
 4. These were substituted for "ten thousand rupees" by Guj. II of 1997. sec-2(4)(b), w.e.f. 1-4-97.

- (b) (i) a district headquarters, or
- (ii) a taluka headquarter,

not failing under either a City referred to in item (i) or a municipal borough referred to in item (ii) of this entry or, as the case may be, entry 9.

Explanation II :- in Explanation - I

(a) The expression "*local areas*" means -

- (i) a notified areas as constituted from time to time under or deemed to be constituted under the Gujarat Municipalities Act, 1962: (Guj. 34 of 1964.)
- (ii) a cantonment as declared from time to time under the Cantonments Act, 1924:

(b) The expression "*district headquarter*" means a city,, town or village where the office of a Collector who exercises through out the district all the powers and discharges all the duties conferred and imposed on a Collector under the Bombay Land Revenues Code, 1879 (Born. V of 1879.) is situated:

(c) the expression "*taluka headquarter*" mean a city, town or village where the office of the Mamlatdar entrusted with the local revenue jurisdiction of a taluka, is situated.

7. Dealers as defined in the *[Gujarat Value Added Tax Act, 2003, (Guj. I of 2005) whose annual gross turnover of all sales or of all purchases is

- | | |
|--|-----------------------|
| ¹ [(i) not more than Rs. 2,50,000 | Nil |
| (ii) More than Rs. 2,50,00 but not more than Rs. 5,00,000 | Rs. 250 every year |
| (iii) more than Rs. 5,00,000 but not more than Rs. 10,00,000 | Rs. 500 every year |
| (iv) more than Rs. 10,00,000 | Rs. 1,000 every year] |

*[x x x]

8. Holders of permits for transport vehicles granted under the Motor vehicles Act, 1985 which are used or adapted to be used for hire or reward,	Rs. 50 every year per vehicle : provided that the total amount payable by the same holder shall not exceed ² [Rs. 1,000]
Where any such person hold permits for more	in any year.

1. These items (i) to (iv) were substituted for item (i) to (iii) by Guj. II of 1997, s.2. (6) w.e.f. 1-4-97. For pre-substituted items 7(i) (iii) pi. refer to on Sch. I on p. 31.

2. These were substituted for "Rs. 250" by Guj. II of 1997. s.2. (7) w.e.f. 1-4-97.

+ These were substituted for "Gujarat Sales Tax Act, 1969 (Guj. 1 of 1969)

* "Explanation" deleted by Guj. 25 of 2006 w.e.f. 1-10-2006 before deletion read as under.

Explanation :- For the purpose of this entry, the term, year shall mean the year as defined in clause (37) of section 2 of the Gujarat Sales Tax Act. 1969. (Guj. I of 1970)

than two transport vehicles buses, taxis, trucks
or three wheelers goods vehicles.

Explanation :- persons residing together as members of one family and holding separate permits shall be one person for the purposes of this entry.

9. Money-lender licensed under the Bombay Money-lender Act, 1946
(Bom. XXXI of 1947)

- | | | |
|-------|--|------------------------------------|
| (i) | In a city | ¹ [Rs. 500] every year. |
| (ii) | in a municipal borough the population of which as ascertained at the last preceding census is more than 1,00,000 and in the area adjoining such municipal borough to the extent of 3 kilometres from its limits. | ² [Rs. 250] every year. |
| (iii) | in a specified area. | Rs. 150 every year. |

10. Persons other than those mentioned in any of the preceding entries, who are engaged in any professions, trades, callings or employments and in respect of whom a notification is issued under the second proviso to sub section (2) of Sec-3.

Such amount not exceeding
³[Rs. 250] every year. as may be specified in the said notification.

Explanation :- for the purposes of this Schedule -

- (i) "City" means a city as constituted from time to time under the Bombay Provincial Municipal Corporation Act, 1949 (Bom., LIX of 1949) and includes the area adjoining such city to the extent of 5 kilometres from its limits :
- (ii) "municipal borough" means a municipal borough as constituted from time to time or deemed to be constituted under the Gujarat Municipalities Act, 1963 (Guj.) XXIV of 1964)

Exemptions :- The following persons shall be exempted from payment of tax under any of the entries 2 to 10 of this Schedule.

- (1) Companies in respect of which orders for winding up are passed under the Companies Act, 1956. (I of 156) from the date of such orders.
- (2) Co-operative societies under liquidation from the date of the commencement of liquidation proceedings.
- (3) A preliminary co-operative society, the members of which are workers who are carrying on the activity of the society by their own labour]

1. These were sub-stituted for "Rs. 250" by Guj. 11 of 1997. Sec-2(8)(a) w.e.f. 1-4-97.

2. These were sub-stituted for "Rs. 250" by Guj. 11 of 1997. Sec-2(8)(b) w.e.f. 1-4-97.

3. These were sub-stituted for "Rs. 150" by Guj. 11 of 1997. Sec-2(9) w.e.f. 1-4-97.

'SCHEDULE-I
[1-4-90 to 31-3-97]
(See Section 3 and section 5 (3))
RATES OF TAX ON PROFESSIONS, TRADES,
CALLINGS AND EMPLOYMENT

Sr. No.	Class of persons	Rate of Tax
1.	2.	3.
1. Salary and wage earners, whose monthly salaries or wages are		
	(1) less than Rs. 1,000	Nil
	(2) Rs. 1,000 or more but less than Rs. 1,500	Rs. 10 per month
	(3) Rs. 1,500 or more but less than Rs. 2,000	Rs. 15 per month
	(4) Rs. 2,000 or more	Rs. 20 per month

Explanation 1 :- Where any salary or wages are payable according to any period other than a month, the monthly salary or wages shall, for the purpose of this entry, be reckoned on the basis of the actual amount of salary or wages paid or payable for a month.

Explanation 2 :- Where a person ceases to be salary or wage earner before the end of any month, his liability to pay the tax for that month shall be proportionately reduced.

2. (1) (a) Legal practitioners including solicitors and notaries public.
 (b) Medical practitioners including medical consultants and dentists.
 (c) Technical and professional consultants, including Architects, Engineers, RCC Consultants, Tax Consultants, Chartered Accounts, Actuaries and Management Consultants.
 (d) Chief Agents, Principal Agents, Special Agents, Insurance Agent and Surveyors or Loss Assessors, or licenced under the Insurance Act, 1938 (4 of 1938).
 (e) Plumbers,
 (f) All contractors other than building contractors.
 (g) Commission agents, dalals and brokers other than estate brokers -

Where the standing in the profession or calling of any of the persons mentioned above in a specified are is -

1. *New Schedule -1 were substituted for the original Schedule -By Guj. 14 of 1989 S. 4 w.e.f. 1-4-89 and further Subs. by Guj. 12 of 1990 w.e.f. 1-4-90.*

- | | |
|---|---------------------|
| (i) upto five years | Nil |
| (ii) more than five years but not more than ten years | Rs. 150 every year |
| (iii) more than ten years | Rs. 250 every year. |

2. Nothing in this entry shall apply to a person whose annual income exclusively earned out of the profession or calling or both of them in the year immediately preceding does not exceed Rs. 10,0000.

- | | |
|---|--------------------|
| (i) Members of associations recognised under the Forward Contracts (Regulation) Act, 1952 (74 of 1952). | Rs. 250 every year |
| (ii) Members of stock exchanges recognised under Securities Contracts (Regulation) Act, 1956 (42 of 1956). | Rs. 250 every year |
| (iii) Owners of oil pumps and service stations and where any oil pumps and service stations are leased, the lessees thereof. | Rs. 250 every year |
| (iv) Licenced foreign liquor vendors and employers of residential hotels and theatres as defined in the Bombay Shops and Establishment Act, 1948) (Bom. LXXIX of 1948.) | Rs. 250 every year |
| (v) Companies registered under the Companies Act, 1956 (I of 1956) and engaged in any profession, trade or calling. | Rs. 250 every year |
| (vi) Individuals or institutions conducting chit funds. | Rs. 250 every year |
| (vii) Banking companies as defined in the Banking Regulation Act, 1949 (10 of 1949) | Rs. 250 every year |
| (viii) Co-operative societies registered or deemed to be registered under the Gujarat Co-operative Societies Act, 1961 (Guj. X of 1962.) | Rs. 250 every year |
| (a) State level societies and district level societies engaged in any professions, trades or callings. | Rs. 250 every year |
| (b) Co-operative sugar factories and Co operatives spinning mills. | Rs. 250 every year |
| (ix) Estate agents or estate brokers of building contractors. | Rs. 250 every year |
| (x) Owners of video parlours or video libraries or both and where any video parlours or video libraries or both are leased, the lessees thereof. | Rs. 250 every year |

4. Partners of firms registered under the Indian Partnership Act, 1932, (IX of 1932) which are engaged in any professions, trades or callings. Rs. 250 every year

Explanation I :- Where partners of a firm registered under the Indian Partnership Act, 1932, (IX of 1932), are liable to pay tax under this entry, the firm shall not be liable to pay tax under entries 2 and 3 and entries 5 and 10 of this Schedule.

Explanation II :- The liability of a partner to pay tax shall be limited to the extent of such liability of the firm of which he is a partner, to pay tax, as would have arisen under any of those entries if the firm had not been exempt under this explanation.

Exemption :- (1) Where the prescribed authority certifies that in a preceding year the annual gross turnover of all sales of all purchases of a firm which is registered under the Indian Partnership Act, 1932 and which is a dealer as defined in the Gujarat Sales Tax Act, 1969 (Guj. I of 1970) has not exceed one lakh rupees, the partners of such firm shall not be liable to pay tax for the year.

(2) Where the prescribed authority certifies that the income of partners of a firm, which is not a dealer as defined in the Gujarat Sales Tax Act, 1969 (Guj. I of 1970), from any profession, trade or calling carried on by such firm, during the preceding year has not exceeded ten thousand rupees, such partner shall not be liable to pay tax for the year.

5. Occupiers of factories as defined in the Factories Act 1948 (63 of 1948) (not being dealers covered by entry 7) Rs. 250 every year
6. Employers of establishments as defined in the Bombay Shops Establishments Act, 1948 (Born. XXXIX of 1948) (not being dealers covered by entry-7), where on an average employees employed in the establishment during a year are more than five per day if the establishment is situated in -
- (i) any City Rs. 250 every year
 - (ii) a municipal borough, the population of which as ascertained at the last preceding census is more than 1,00,000 and in the area adjoining such municipal borough to the extent of 3 kilometres from its limits. Rs. 200 every year
 - (iii) a specified area Rs. 150 every year.

Explanation I :- For the purposes of item (iii) of this entry, the expression "specified area" means -

- (a) (i) a municipal borough or, the population of which was ascertained at the last preceding census is more than 25,000 but not more than 1,00,000;
- (ii) a local area

- (b) (i) a district headquarter, or
not falling under either a City referred to
in item (i) or a municipal borough referred
to in item (ii) of this entry or, as the case
may be. Entry 9.
- (ii) a taluka headquarter,

Explanation-II :- In Explanation - I

- (a) the expression "*local area*" means -
- (i) a notified area as constituted from time to time or deemed to be constituted under the Gujarat Municipalities Act, 1963 (Guj. 34 of 1964):
- (ii) a cantonment as declared from time to time under the Cantonments Act, (124, (II of 1924);
- (b) the expression "district headquarter" means as a city, town or village where the office of a Collector who exercises throughout the district all the powers and discharges all the duties conferred and imposed on a Collector under the Bombay Land Revenue Code, 1879, (Born. V of 1879). is situate.
- (c) the expression "taluka headquarter" means a city, town or village where the office of the Mamlatdar entrusted with the local revenue jurisdiction of a taluka. is situate.

7. Dealers as defined in the Gujarat Sales Tax Act, 1969, (Guj. I of 1970) whose annual gross turnover of all sales of all purchases is -

- | | |
|---|------------------------------------|
| (i) Not more than Rs. 50,000 | Nil |
| (ii) More than Rs. 50,000 but not more than | Rs. 150 every year
Rs. 2,50,000 |
| (iii) more than Rs. 2,50,000 | Rs. 250 every year |

Explanation :- For the purpose of this entry the term "year" shall mean the year as defined in clause (37) of section 2 of the Gujarat Sales Tax Act, 1969 (Guj. I of 1970).

- 8. Holders of permits for transport vehicles granted under the Motor Vehicle Act, 1988 (50 of 1988), which are used or adapted to be used for hire or reward, Where any such person holds permits for more than two transport vehicles buses, taxis, trucks or three wheelers goods vehicles.**
- Rs. 50 every year per vehicle :
provided that the total amount payable by the same holder shall not exceed Rs. 250 in any year.

Explanation :- Persons residing together as members of the family as holding separate permits shall be deemed to be one person for the purposes of this entry.

9. Money-lender licensed under the Bombay.

Money Lenders Act, 1946 (Born. XXXI of 1947).

- | | |
|--|--------------------|
| (i) In a city | Rs. 250 every year |
| (ii) In a municipal borough the population of which as ascertained at the last preceding census in more than 1,00,000 and in the area adjoining such Municipal borough to the Extent of 3 kilometres from its limit. | Rs. 200 every year |
| (iii) in a specified area | Rs. 150 every year |
- 10.** Persons other than those mentioned in any of the proceeding entries, who are engaged in any professions, trades, callings or employments and in respect of whom a notification is issued under the second proviso to sub-section (2) of section 3.

Such amount not exceeding Rs. 150 every year as may be specified in the said notification

Explanation :- For the purposes of this Schedule -

- (i) "City" means a city as constituted from time to time under the Bombay Provincial Municipal Corporations Act, 1949 (Bom. LIX of 1949) and includes the area adjoining such city to the extent of 5 kilometres from its limits;
- (ii) "Municipal borough" means a municipal borough as constituted from time to time or deemed to be constituted under the Gujarat Municipalities Act, 1963 (Guj. XXXIV of 1964).

Exemptions :- The following persons shall be exempt from payment of tax under any of the entries 2 to 10 of this Schedule -

- (1) Companies in respect of which orders for winding up are passed under the Companies Act, 1956, (I of 1956) from the date of such orders.
- (2) Co-operative societies under liquidation from the date of the commencement of liquidation proceedings.
- (3) A primary co-operative society, the members of which are workers who are carrying on the activity of the society by their own labour.