

**THE HIMACHAL PRADESH TAX ON PROFESSIONS, TRADES,
CALLINGS AND EMPLOYMENTS BILL, 2005.**

BILL No.____ of 2005

(AS INTRODUCED IN THE LEGISLATIVE ASSEMBLY)

**A
BILL**

to provide for the levy and collection of a tax on Professions, Trades, Callings and Employments in the State of Himachal Pradesh.

BE it enacted by the Legislative Assembly of Himachal Pradesh in the Fifty-sixth Year of the Republic of India, as follows:-

**CHAPTER-I
PRELIMINARY**

Short title and commencement.

1. (1) This Act may be called the Himachal Pradesh Tax on Professions, Trades, Callings and Employments Act, 2005.

(2) It shall come into force on such date as the State Government may, by notification, appoint.

Definitions.

2. In this Act, unless the context otherwise requires, --

(a) “**Act**” means “the Himachal Pradesh Tax on Professions, Trades, Callings and Employments Act, 2005”;

(b) “**Assessing Authority**” means any person appointed by the State Government under sub-section (2) of section 3 to make any assessment under this Act;

(c) “**Calling**” includes usual occupation, vocation, business or trade of a person;

(d) “**Commissioner**” means the Commissioner appointed under sub-section (1) of section 3;

(e) “**Company, Director and Share holder**” shall have the meanings respectively assigned to them in the Companies Act, 1956 (Central Act No. 1 of 1956).

(f) “**Deputy Excise and Taxation Commissioner**” means the Deputy Excise and Taxation Commissioner, appointed under sub-section (1) of section 3 of this Act, to assist the Commissioner and shall also include the Joint/ Additional Excise and Taxation Commissioner;

(g) “**employee**” includes a person employed on salary or wages ---

(i) in the service of the Central Government or any State Government to whom the salary is paid either from the consolidated Fund of India or of a State;

(ii) in the service of a body, whether incorporated or not, which is owned or controlled by the Central Government or any State Government where the body operates in any part of the State, even though its headquarters may be situated outside the

State;

(iii) in any employment of any employer, not covered under sub-clauses (i) and (ii);

(h) “**employer**” in relation to an employee earning any salary or wages on regular basis under him, includes a person or an officer responsible for disbursement of such salary or wages, as well as the manager or agent of the employer;

(i) “**engaged**” in relation to any profession, trade, calling or employment means a person occupied, fully or otherwise, in such profession, trade, calling or employment, whether any pecuniary benefit or benefit of any other nature whatsoever, actually accrues or not to such person;

(j) “**Government or State Government**” means the State Government of Himachal Pradesh;

(k) “**month**” means a month, reckoned according to the Gregorian Calendar, or part thereof;

(l) “**person**” means any individual or association or body of individuals and includes a Hindu Undivided Family or Joint Family, a firm, a company whether incorporated or not, a co-operative society, a trust, a club, an institution, an agency, a corporation, a local authority and a Department of the Central or the State Governments, engaged actively or otherwise in any

profession, trade, calling or employment in the State of Himachal Pradesh, but does not include any person who earns wages on a casual basis.

(m) “**prescribed**” means prescribed by the rules made under this Act;

(n) “**salary or wages**” means pay, or wages, dearness allowances, and all other remuneration received by any assessee on regular basis whether payable in cash or in kind and perquisites and profits received in lieu of salary as defined in section 17 of the Income Tax Act, 1961 Central Act No. 43 of 1961, but does not include bonus (in any form or on any account) or gratuity;

(o) “**Schedule**” means Schedule appended to this Act;

(p) “**State**” means the State of Himachal Pradesh;

(q) “**tax**” means the tax on professions, trades, callings and employments levied under section 4 of this Act;

(r) “**Trade**” means any business carried on with a motive of earning profit, whether or not profit accrues from it; and

(s) “**year**” means the financial year .

**CHAPTER-II
TAXING AUTHORITIES**

**Taxing
authorities.**

3. (1) For carrying out the purposes of this Act the State Government may, by notification, appoint a person to be the Commissioner and such other persons with such designations as it thinks fit.

(2) The State Government may, by notification, appoint as many Assessing Authorities as it may think fit.

(3) The Commissioner and other persons appointed under sub-section (1) shall perform such functions and duties as may be required by or under this Act or as may be conferred, by the State Government, by notification.

(4) The jurisdiction of the Commissioner and other officers posted at the State Headquarters shall extend to the whole of the State of Himachal Pradesh, and the jurisdiction of other officers or officials shall, unless the State Government otherwise directs, by notification, extend to the districts or the areas of the districts for which they are for the time being posted.

CHAPTER-III
INCIDENCE, LEVY, COLLECTION AND EXEMPTION OF TAX

Levy of tax.

4. (1) There shall be levied and collected a tax on professions, trades, callings and employments at such rates not exceeding rupees two thousand five hundred per annum per person.

(2) Every person engaged in any profession, trade, calling or employment in the State and falling under any of the classes specified in column (2) of the Schedule-I, shall be liable to pay the tax levied under sub-section (1) at the rate specified in the corresponding entry in column (3) thereof.

Employers liability to deduct and pay tax on behalf of employees.

5. The tax payable under this Act by any person shall be deducted by his employer from the salary or wage payable to such person, before such salary or wage is paid to him, and shall, irrespective of whether such deduction has been made or not., be liable to pay tax on behalf of such person:

Provided that the employer shall discharge the liability in the manner prescribed:

Provided further that where any person earning a salary or wage is simultaneously engaged in employment of more than one employer, and if such person furnishes to his employer or employers a certificate in the prescribed form to the effect that he

shall get enrolled under this Act, such employer or employers shall not deduct the tax from his salary or wage payable to him and such employer or employers, as the case may be, shall not be liable to pay tax on his behalf.

Exemption from tax and amendment of Schedules.

6. (1) No tax shall be payable by the persons specified in the second column of the Schedule-II.

(2) The State Government may, by notification, add to or delete or otherwise amend the Schedule-I or Schedule-II, and thereupon the Schedules shall be deemed to have been amended accordingly.

**CHAPTER-IV
REGISTRATION AND ENROLMENT**

Registration and enrolment.

7. (1) Every employer, not being an officer of the Central Government, or any State Government or the Government of any Union Territory liable to pay tax under this Act, shall obtain a certificate of registration from the Assessing Authority in the prescribed manner.

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

(3) Every employer or person required to obtain a certificate of registration or enrolment, shall, within

thirty days from the date of commencement of this Act, or, if he was not engaged in any profession, trade, calling or employment on that date, within thirty days of his becoming liable to pay tax, or, in respect of a person referred to in sub-section (2), within thirty days of his becoming liable to pay tax at a rate higher or lower than the one mentioned in his certificate of enrolment, apply for a certificate of registration or enrolment or a revised certificate or enrolment, as the case may be, to the Assessing Authority, in the prescribed form, and the such Authority shall, after making such inquiry as may be necessary, within thirty days of the receipt of the application, grant him such certificate:

Provided that where on account of revision of rate of tax, the person liable to pay tax is required to pay tax at a rate higher or lower than the one mentioned in the certificate of enrolment, the rate of tax mentioned in such certificate shall be deemed to have been revised accordingly on the date of such revision of rate of tax as aforesaid; and pending application the person applying for a revised certificate or enrolment shall, notwithstanding anything contained in this Act, be liable to pay tax at such revised rate.

(4) The Assessing Authority shall mention in every certificate of enrolment the amount of tax payable by the holder in accordance with the notified rates, and

the date by which it shall be paid; and such certificate shall, subject to the provisions of the proviso to sub-section (3) serve as a notice of demand for the purposes of recovery.

(5) Where an employer or a person liable to registration or enrolment has wilfully failed to apply for certificate of registration or enrolment, as the case may be, within the required time, the Assessing Authority may, after giving him a reasonable opportunity of being heard, impose ---

- (i) in the case of an employer, a penalty not exceeding rupees ten for each day of delay but not exceeding rupees two thousand; and
- (ii) in the case of other, a penalty not exceeding rupees ten per day but not exceeding rupees one thousand in any one case.

(6) Where an employer or a person liable to registration or enrolment has wilfully furnished false information in any application submitted under this section, the Assessing Authority may, after giving him a reasonable opportunity of being heard, impose upon him a penalty not exceeding rupees one thousand.

CHAPTER-V
PAYMENT OF TAX, RETURNS, ASSESSMENT, RECOVERY AND
REFUND OF TAX

Payment of tax. 8. The tax payable under this Act shall be paid in the manner prescribed at such intervals, as may be prescribed.

Filing of returns. 9. (1) Every employer registered under this Act, shall furnish to the Assessing Authority, a return in such form, for such periods and by such dates as may be prescribed.

(2) Every return furnished under sub-section (1) shall be accompanied by a treasury challan in proof of payment of full amount of tax due according to such return, and a return without such proof of payment of tax shall not be deemed to have been duly furnished.

(3) Where an employer has without reasonable cause failed to furnish such return within the required time, the prescribed authority, after giving him a reasonable opportunity of being heard, may impose upon him a penalty not exceeding rupees ten for each day of delay but not exceeding in the aggregate fifty percent of the tax liability.

Assessment. 10. (1) If the Assessing Authority is satisfied that the return furnished by an employer is correct and

complete, it shall be deemed to have been accepted:

Provided that on random basis the Commissioner may require checking of returns for the purpose of this section upto a limit as may be notified.

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

(b) The Assessing Authority shall, after 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 Assessing Authority, the accounts and papers are not correct, or not complete or not reliable, such authority shall, after such inquiry as he deems fit, or otherwise, assess the tax due, to the best of his judgement.

(3) The amount of tax due from any employer shall be assessed separately for each year or part thereof during which he was liable to pay tax.

(4) If an employer has failed to get himself registered, or being registered has failed to furnish any return, or

has escaped assessment, the Assessing 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 judgement.

(5) The amount of tax so assessed shall be paid within thirty days from the date of receipt of the notice of demand from the Assessing Authority.

(6) No order under this section shall be passed after expiry of two years from the close of the year in respect of or part of which the assessment is made:

Provided that if proceedings are stayed by the Appellate Authority or by the competent court, as the case may be, the period of stay shall be excluded in computing the said period of two years:

Provided further that where an assessment order is passed in consequence of or to give effect to any order of an Appellate Authority or a competent court, it shall be completed within a year of the communication of such order to the Assessing Authority:

Consequences of failure to deduct or to pay tax.

11. (1) If an assessee, not being an officer of the State Government or the Central Government, or the Government of a Union Territory, does not deduct the tax at the time of payment of salary or wages or after

deducting, fails to pay the tax as required by or under this Act, he shall-

(a) be deemed to be an assessee in default in respect of the tax; and

(b) be liable to pay such interest at the rate of one per centum per month on the amount of tax due for 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 interest at the rate and in the manner provided under sub-section (1).

Penalty for non-payment of tax.

12. (1) If an assessee fails, without reasonable cause to make payment of any amount of tax within the time specified in the notice of demand, the Assessing Authority may, after giving him a reasonable opportunity of making his representation, impose upon him a penalty which shall not be less than fifteen per centum but not exceeding twenty five per centum of the amount of tax due.

Recovery of tax.

13. The arrears of tax, penalty, interest or any other amount remaining unpaid after demand notice under this Act, shall be recoverable as an arrear of land revenue.

Liability under this Act to be the first charge.

14. Notwithstanding anything to the contrary contained in any law for the time being in force, any amount of

tax and any other sum payable by any person under this Act, shall be first charge on the property of such person.

Special mode of recovery.

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

(a) any person from whom any amount of money is due, or may become due, to an assessee on whom notice of demand has been served under this Act,

or

(b) any person who holds or may, subsequently, hold money for or on account of such assessee,

to pay to the Assessing Authority, either forthwith upon money becoming due or being held 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 of 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.

Refund.

16. The Assessing Authority shall refund to a person the amount of tax, penalty, interest and fees, if any, paid by such person in excess of the amount due from

him, and the refund may be made, in the manner prescribed, either by cash payment or, at the option of the person, by deduction of such excess from the amount of tax, penalty, interest and fee due in respect of any other period:

Provided that the Assessing Authority shall first apply such excess towards the recovery of any amount due in respect of which a notice under sub-section (5) of section 10 has been served, and shall then refund the balance, if any.

**Appointment
of
collecting
agents.**

17. The State Government may, by notification, appoint, for carrying out the purposes of this Act, any officer of the State Government, Department, or local authority, as its collecting agent, who shall be responsible for the collection of the tax under this Act, from such assesseees as the State Government may, by notification, specify, and thereupon, such collecting agent shall perform the functions assigned to him for the purpose.

**CHAPTER-VI
APPEAL AND REVISION**

Appeal.

18. (1) An appeal from every original order passed by the Assessing Authority shall lie to the Deputy Excise and Taxation Commissioner.

(2) An order passed in appeal by the Deputy Excise and Taxation Commissioner shall be further appealable to the Commissioner.

(3) No appeal shall be entertained after the expiry of period of sixty days from the date of the communication of the order appealed against, or such longer period as the Appellate Authority may allow, for reasons to be recorded in writing.

(4) No appeal under sub-section (1) or (2) shall be entertained by an Appellate Authority unless such appeal is accompanied by satisfactory proof of the payment of the tax (including interest payable) or of the penalty, if any, imposed or both, as the case may be:

Provided that if such authority is satisfied that the assessee is unable to pay the tax (including interest payable) assessed or the penalty, if any, imposed or both, he may, for reasons to be recorded in writing, entertain an appeal without the tax (including interest payable) or penalty or both having been paid in full or after part payment of such tax (including interest payable) or penalty or both.

(5) Subject to such rules of procedure as may be prescribed, an Appellate Authority may pass such order on appeal as it deems just and proper.

Revision by the Commissioner.

19. (1) The Commissioner may, of his own motion, call for and examine the record of the proceedings which are pending before, or have been disposed of by, by any Assessing Authority, or as the case may be, the

Appellate Authority for the purpose of satisfying himself as to the legality or propriety of such proceedings or order made therein and , on finding the proceedings or the orders prejudicial to the interest of revenue, may pass such order in relation thereto, as he may think fit.

(2) No order shall be passed under sub-section (1), which adversely affects any person, unless such person has been given a reasonable opportunity of being heard.

Revision to the High Court.

20. (1) Any person or authority aggrieved by an order passed under sub-section (2) of section 18 or under section 19, may, within ninety days from the date of service of such order, apply to the High Court of Himachal Pradesh for revision of such order, if it involves a question of law arising out of erroneous decision of law or failure to decide a question of law.

(2) The High Court shall after hearing the parties to the revision, decide the question of law stated to it or formulated by it, and shall, thereupon, pass such order as is necessary to decide the question of law.

**CHAPTER-VII
ACCOUNTS**

Maintenance of accounts by the employer or a

21. (1) If the Commissioner is satisfied that the books of accounts and other documents maintained by a

person.

particular class of employers in the normal course of their business are not adequate for verification of the returns furnished by such employer, he may direct him in writing to maintain the books of accounts and other documents in the manner as may be prescribed, and thereupon such 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 Assessing Authority may, after giving him a reasonable opportunity of being heard, impose a penalty not exceeding rupees fifty for each day of such default subject to a maximum of rupees one thousand.

CHAPTER-VIII OFFENCES, PENALTIES AND COMPOSITION OF OFFENCES.

Offences and penalties.

22. Any person or employer who, without sufficient cause, fails to comply with any of the provisions of this Act or the rules made thereunder, the Assessing Authority may direct that such person or employer shall pay by way of penalty a sum not exceeding rupees one thousand and when the offence is a continuing one with a penalty not exceeding rupees twenty five per day during the period of the continuance of the offence.

Offences by companies.

23. (1) Where an offence under this Act has been committed by a company, every person who, at the time when the offence was committed, was in charge of and was responsible to the company for the conduct of the business of the company, such person and the company, shall both jointly and severally be deemed to be guilty of the offence and shall be liable to penalty as provided for in the Act.

Provided that, nothing contained in this sub-section shall render any such person liable to any penalty, 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 the 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 penalty as provided for in the Act.

Explanation. – For the purposes of this section “company” means any body corporate and includes a firm or other association of individuals; and “director” in relation to a firm means a partner in the firm.

Compounding of offences.

24. (1) Subject to such conditions as may be prescribed, the Assessing Authority may, either before or after the commencement of proceedings under this Act, may compound any offence on payment of an amount which shall not less than twenty five per centum but which shall not exceed fifty per centum of the maximum penalty provided under the Act.

(2) On composition of offence under sub-section (1), no further proceedings shall be taken against the person in respect of the same offence.

**CHAPTER-IX
MISCELLANEOUS**

**Power to enforce attendance and evidence.
V of 1908**

25. All authorities under this Act shall, for the purposes of this Act, have the same powers as are vested in a Civil Court under the Code of Civil Procedure, 1908 when 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.

Bar of certain proceedings.

26. No suit shall lie in any Civil Court to set aside or modify any assessment made or order passed under this Act.

Indemnity.

27. 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.

Delegation of powers.

28. Subject to such restrictions and conditions as may be prescribed, the Commissioner may, by order in writing, delegate any of his powers under this Act to an officer not below the rank of Additional Excise and Taxation Commissioner posted at the State headquarters.

Local Authorities not to levy profession tax.

29. (1) Notwithstanding anything in any enactment governing the constitution or establishment of a local authority, no local Authority shall, on or after the commencement of this Act, levy tax on professions, trades, callings or employments.

(2) Notwithstanding anything in any law for the time being in force, no cess shall be levied on tax on professions, trades, callings or employments under any such law and the provisions in such law authorising such levy and collection shall, on and from the date of commencement of this Act, stand repealed.

Transitional provisions.

12 of 2005

30. Notwithstanding anything to the contrary contained in this Act, any authority exercising any power under the Himachal Pradesh Value Added Tax Act, 2005 and any rule relating to deduction of tax and its payment into the Government treasury, filing of returns and challan, in so far as these are applicable for the

purposes of levy and collection of value added tax, shall mutatis mutandis apply for the purposes of deduction and payment of tax under this Act, until the rules are made under this Act or the expiry of six months from the date of commencement of this Act, whichever ever is earlier.

Power to make rules.

31. (1) The State Government may, by notification in the Official Gazette, make rules in consistent with this Act, for securing the levy and collection of tax and generally for carrying out the purposes of this Act.

(2) Every rules made under this Act shall immediately after it is made, be laid before the Legislative Assembly of the State if it is in session and if it is not in session, in the session immediately following for a total period of fourteen days which may be comprised in one session or in two successive sessions and if, before the expiration of the session in which it is so laid or the session immediately following, the Legislative Assembly agrees in making any modification in the rule or in the annulment of the rule, the rule shall, from the date on which the modification or annulment is notified, have effect only in such modified form or shall, from or shall stand annulled, as the case may be, so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

SCHEDULE –I
(See section 4 and 6)

SR. No.	CLASSES OF ASSESSEES	RATE OF TAX
(1)	(2)	(3)
1.	Salary and wage earners having monthly salaries or wages:	
	(i) upto Rs.4000/- per month,	Nil
	(i) salary from Rs.4001/- to Rs.10000/-,	Rs.100/- per month
	(iii) salary from Rs.10001/- to Rs.15000/-,	Rs.150/- per month
	(iv) salary above Rs.15001/-.	Rs.200/- per month
2.	(a) Legal practitioners including Solicitors and Notaries Public, Technical and Professional Consultants, Chartered Accountants and Architects with standing / practice in the profession, --	
	(i) upto 5 years,	Nil
	(ii) between 5 to 10 years,	Rs.50/- per month
	(iii) between 10 to 15 years	Rs.150/- per month
	(iv) above 15 years	Rs. 200/- per month
	(b) Deed/ document writers	Rs. 100/- Per month
3.	(a) Chief Agent, Principal Agent, Special Agent, Insurance Agent Surveyors or loss assessors registered or licensed under the Insurance Act, 1938 (Central Act IV of 1938)	Rs.200/- per month
	(b) Postal Agents under the National Small Saving Schemes (earning more than Rs.48000/- per annum)	Rs. 100/- per month
4.	Members of the Stock Exchanges recognised under Security Contracts (Regulation) Act, 1956. Auctioneers and Commission Agents.	Rs.200/- per month
5.	(a) Estate Agents or Brokers	Rs.200/- per month
	(b) Public Works Department contractors (registered as per the guidelines issued by the Government from time to time and	

	actively executing works contract), --- (i) Class 'A' contractors (ii) Class 'B' contractors (iii) Class 'C' contractors (iv) Class 'D' contractors (c) Forests contractors (d) any other contractor	Rs.200/- per month Rs.200/- per month Rs.150/- per month Rs. 50/- per month Rs.150/- per month Rs.100/- per month
6.	Directors (other than those nominated by the Government) of Companies Registered under the Companies Act, 1956.	Rs.200/- per month
7.	Dealer registered or liable to be registered under the Himachal Pradesh General Sales Tax Act, 1968 (24 of 1968), the Himachal Pradesh Value Added Tax Act, 2005 (12 of 2005), and the Central Sales Tax Act, 1956 (74 of 1956), Khadi and Village Industrial Units, having annual turnover: - (i) upto Rs. 4 lakhs (ii) between Rs. 4 lakhs and 10 lakhs (iii) between 10 lakhs and 25 lakhs (iv) above 25 lakhs	Nil Rs.100/- per month Rs.150/- per month Rs.200/- per month
8.	Occupier of a factory as defined under the Factories Act, 1948 (63 of 1948) who is not covered by item No. 7.	Rs. 200/- per month
9.	Owner or lessee of petrol/ diesel/ aviation turbine fuel filling stations and service stations, garages and workshops of automobiles.	Rs.200/- per month
10.	Owner or lessee of Rice Mill, Oil Mill, Spinning Mill, Paper Mill, Dall Mill, Powerloom, Mini Steel Plant, Re-rolling Mill, Khandasari Sugar Factory, Sugar Factory Foundry , Tannery, Stone Crusher, Bottling Unit, Distillery, Tile Factory, Biscuit Factory, Chemical and Pharmaceutical Lab, Printing Press (With power) Fruit Canning Unit.	Rs. 200/- per month
11.	Employer of establishment as defined	

	under the Himachal Pradesh Shops and Commercial Establishments Act, 1969 (who are not dealers are covered by item 7) who have: - (I) no employees (II) not more than 5 employees (III) more than 5 employees but not more than 10 employees (IV) more than 10 employees but not more than 20 employees (v) more than 20 employees.	Nil Rs. 50/- per month Rs. 100/- per month Rs. 150/- per month Rs.200/- per month
12.	Owner or lessee of Nursing Home or Hospital other than the one run by the State Government or the Central Government.	Rs.200/- per month
13.	(b) Owner of residential Hotels or Lodging Houses having not less than 10 rooms. (c) Guest houses and serais (d) (i) Owner of theatre (ii) Owner of touring talkie (iii) Owner of Video parlor:- (a) urban areas (b) rural areas (iv) Cable TV operator: - (a) in Municipal areas, (b) in rural areas.	Rs.200/- per month Rs.100/- per month Rs.200/- per month Rs.200/- per month Rs.100/- per month Rs. 50/- per month Rs.100/- per month Rs.50/- per month
14.	Banking company as defined in the Banking Regulations Act, 1949.	Rs.200/- per month
15.	All companies Registered under the Companies Act, 1956 engaged in a profession, trade or calling.	Rs.200/- per month
16.	All Medical practitioners including dentists, radiologists, pathologists and persons engaged in professions or calling of paramedical nature.	Rs.200/- per month
17.	Film Distributors, all type of travel agents and advertising firms/ agencies.	Rs.200/- per month
18.	Journalists: - (a) State level,	Rs.200/- per month

	(b) District level, (c) Sub-divisional level	Rs.100/- per month Rs.50/- per month
19.	(a) Persons owning Photocopying machines for job works: - (i) in urban areas (ii) in rural areas (b) Persons providing services of coaching(other than sports) typing, printing, lamination etc.	Rs.100/- per month Rs.50/- per month Rs. 200/- per month
20.	Educational Institutions, Tutorial Colleges, institutes (other than those owned by the State Government or the Central Government)	Rs.200/- per month
21.	Property Developers including Land Developers and Building/ Flat Developers	Rs.200/- per month
22.	Persons owning/running: - (a) Computer institutes selling time (b) Computer Training institutes or E-café (c) Driving Institutes/Technical Training Institutes (d) Video Cassette Libraries (e) Indoor sports or health facilities in Municipal areas	Rs. 100/- per month Rs. 200/- per month Rs. 100/- per month Rs.200/- per month Rs.200/- per month
23.	Persons owning Marriage Halls and providing these on rent or agencies providing sound, lighting, furniture, tent houses, shamina etc. on payment for marriages/ functions.	Rs.2s00/- per month
24.	(a) Transport Companies and transport contractors including forwarding and clearing agent (b) Bankers who are financing the trade against hundies or other securities by way of short-term advance on interest	Rs.200/- per month Rs.200/- per month
25.	(a) Authorized assistants recognized by stock exchange (b) Persons operating courier service	Rs.200/- per month Rs.200/- per month
26.	Persons running:-	

	(a) ISD, STD booths in urban areas, (b) Cold storage, (c) Motor vehicle parking or more than 20 vehicles in urban areas	Rs. 100/- per month Rs.200/- per month Rs.200/- per month
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SCHEDULE –II
(See section 6)

SR. NO.	CLASSES OF ASSESSEES
1.	2.
1.	Daily waged earners.
2.	Employees hired by State Govt. on contract basis.
3.	Cooperative Societies.
4.	Small and petty dealers with turnover upto Rs. 4 lakhs.
5.	Agriculturalist including orchardists; support service providers in villages like carpenters, blacksmiths, rural artisans, barber, nai, dhobi, gharati, teli, kasai etc. (except beauty parlor and saloons in urban areas).
6.	Freedom Fighters.
7.	Pensioners.
8.	Military, Navy and Air Force personnel including Central Paramilitary personnel

STATEMENT OF OBJECTS AND REASONS

As the State Government is required to finance the expanded social security system for the benefit of the poor, therefore, it has been decided to levy tax on professions, trades, callings and employments in the State, by enacting necessary legislation.

The Bill seeks to achieve the aforesaid objectives.

Rangila Ram Rao,
Minister-Incharge.

SHIMLA:

The2005.

FINANCIAL MEMORANDUM

Clause 4 of the Bill proposes to levy a tax on professions, trades, callings and employments on the classes of Assesseees specified under column (2) of Schedule-I at the rates specified in the corresponding entry in column (3) thereof. The provisions of the Bill, when enacted, are estimated to yield about 45 crores rupees per annum to the State exchequer. As the provisions of the Bill after being enacted, are to be enforced through the existing Government machinery, no additional expenditure will be involved.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 31 of the Bill seeks to empower the State Government to make rules for carrying out the purposes of the Bill. The delegation is essential and normal in character.

RECOMMENDATIONS OF THE GOVERNOR UNDER ARTICLE 207 OF THE CONSTITUTION OF INDIA.

(File No. EXN-F(6)-2/2005)

The Governor, Himachal Pradesh, after having been informed of the subject matter of the Himachal Pradesh Professions Tax Bill, 2005, recommends, under articles 207 of the Constitution of India, the introduction and consideration of the Bill in the Legislative Assembly.

**THE HIMACHAL PRADESH TAX ON PROFESSIONS, TRADES,
CALLINGS AND EMPLOYMENTS BILL, 2005.**

A

BILL

to provide for the levy and collection of a tax on Professions, Trades,
Callings and Employment in the State of Himachal Pradesh.

**RANGILA RAM RAO,
*Minister-in-Charge.***

SURINDER SINGH THAKUR,
Secretary (Law).

SHIMLA:

The2005.

No: EXN-F(6)-2/2005
 Government of Himachal Pradesh,
 Excise and Taxation Department.

To

The Secretary,
 Vidhan Sabha,
 Himachal Pradesh, Shimla.

Dated: Shimla the 7th April, 2005

Subject: Proposed amendments in the Himachal Pradesh Tax on Professions, Trades, Callings and Employments Bill, 2005 (Bill No. 12 of 2005) (both in Hindi and English versions).

Sir,

I intend to give notice to make the following amendments in the Himachal Pradesh Tax on Professions, Trades, Callings and Employments Bill, 2005, namely: -

Clause	Page	Lines	Proposed amendments
1.	2.	3.	4.
vuqlwph&1	21 to 27 of the Hindi version	Nil	
Schedule-I	12 to 15 of Authoritative English Text	Nil	For SCHEDULE-I, the following shall be substituted, namely: -

“SCHEDULE –I

(See sections 4 and 6)

SR. No.	CLASSES OF ASSESSEES	RATE OF TAX
(1)	(2)	(3)
1.	Salary and wage earners having monthly salaries or wages--	
	(i) upto Rs.4000/- per month,	Nil
	(i) salary from Rs.4001/- to Rs.10000/-,	Rs.100/- per month

- | | | |
|-----------|--|---------------------|
| | (iii) salary from Rs.10001/- to Rs.15000/-, | Rs.150/- per month |
| | (iv) salary above Rs.15001/-. | Rs.200/- per month |
| 2. | Legal practitioners including Solicitors and Notaries Public, Technical and Professional Consultants, Chartered Accountants, Architects and Deed/ documents writers, where the annual income of the persons mentioned above is-- | |
| | (i) upto Rs.48000/- | Nil |
| | (ii) between Rs.48,001/- to Rs.1,20,000/- | Rs.100/- per month |
| | (iii) between Rs.1,20,001/- to Rs.1,80,000/- | Rs.150/- per month |
| | (iv) above Rs.1,80,000/- | Rs. 200/- per month |
| 3. | Chief Agent, Principal Agent, Special Agent, Insurance Agent Surveyors or loss assessors registered or licensed under the Insurance Act, 1938 (Central Act IV of 1938) or Postal Agents under the National Small Saving Schemes, where the annual income of the persons mentioned above is-- | |
| | (i) upto Rs.48000/- | Nil |
| | (ii) between Rs.48,001/- to Rs.1,20,000/- | Rs.100/- per month |
| | (iii) between Rs.1,20,001 to Rs.1,80,000/- | Rs.150/- per month |
| | (iv) above Rs.1,80,000/- | Rs. 200/- per month |
| 4. | Members of the Stock Exchanges recognised under Security Contracts (Regulation) Act, 1956. Auctioneers and Commission Agents. | Rs.200/- per month |
| 5. | (a) Estate Agents or Brokers | Rs.200/- per month |
| | (b) Public Works Department contractors (registered as per the guidelines issued by the Government from time to time and actively executing works contract), --- | |
| | (i) Class 'A' contractors | Rs.200/- per month |
| | (ii) Class 'B' contractors | Rs.200- per month |
| | (iii) Class 'C' contractors | Rs.150/- per month |
| | (iv) Class 'D' contractors | Rs. 50/- per month |

	(c) Forests contractors	Rs.150/- per month
	(d) any other contractor	Rs.100/- per month
6.	Directors (other than those nominated by the Government) of Companies Registered under the Companies Act, 1956.	Rs.200/- per month
7.	Dealer registered or liable to be registered under the Himachal Pradesh General Sales Tax Act, 1968 (24 of 1968), the Himachal Pradesh Value Added Tax Act, 2005 (12 of 2005), and the Central Sales Tax Act, 1956 (74 of 1956), Khadi and Village Industrial Units, having annual turnover--	
	(i) upto Rs. 6,00,000/-	Nil
	(ii) between Rs. 6,00,001/-to Rs.10,00,000/-	Rs.100/- per month
	(iii) between Rs.10,00,001/- to Rs.25,00,000/-	Rs.150/- per month
	(iv) above Rs.25,00,000/-	Rs.200/- per month
8.	Occupier of a factory as defined under the Factories Act, 1948 (63 of 1948) who is not covered by item No. 7.	Rs.200/- per month
9.	Owner or lessee of petrol/ diesel/ aviation turbine fuel filling stations and service stations, garages and workshops of automobiles.	Rs.200/- per month
10.	Owner or lessee of Rice Mill, Oil Mill, Spinning Mill, Paper Mill, Dall Mill, Powerloom, Mini Steel Plant, Rerolling Mill, Khandasari Sugar Factory, Sugar Factory, Foundry , Tannery, Stone Crusher, Bottling Unit, Distillery, Tile Factory, Biscuit Factory, Chemical and Pharmaceutical Lab; Printing Press (With power) Fruit Canning Unit.	Rs.200/- per month

- 11.** Employer of establishment as defined under the Himachal Pradesh Shops and Commercial Establishments Act, 1969 (who are not dealers are covered by item 7) who have--
- (i) more than 5 employees but not more than 10 employees Rs.100/- per month
 - (ii) more than 10 employees but not more than 20 employees Rs.150/- per month
 - (iii) more than 20 employees. Rs.200/- per month
- 12.** Owner or lessee of Nursing Home or Hospital other than the one run by the State Government or the Central Government. Rs.200/- per month
- 13.** (a) Owner of residential Hotels or Lodging Houses having not less than 10 rooms. Rs.200/- per month
- (b) Guest houses and serais Rs.100/- per month
 - (c) Owner of theatre Rs.200/- per month
 - (d) Owner of touring talkie Rs.200/- per month
 - (e) Owner of Video parlor in urban areas Rs.100/- per month
 - (f) Cable TV operator in urban areas Rs.100/- per month
- 14.** Banking company as defined in the Banking Regulations Act, 1949. Rs.200/- per month
- 15.** All companies registered under the Companies Act, 1956 engaged in a profession, trade or calling. Rs.200/- per month
- 16.** All medical practitioners including dentists, radiologists, pathologists and persons engaged in professions or calling of paramedical nature, where the annual income of the persons mentioned above is--
- (i) upto Rs.48000/- Nil
 - (ii) between Rs.48,001/- to Rs.1,20,000/- Rs.100/- per month
 - (iii) between Rs.1,20,001 to Rs.1,80,000/- Rs.150/- per month

	(iv) above Rs.1,80,000/-	Rs. 200/- per month
17.	Film Distributors, all type of travel agents and advertising firms/ agencies.	Rs.200/- per month
18.	Journalists: -	
	(a) State level,	Rs.200/- per month
	(b) District level,	Rs.100/- per month
	(c) Sub-divisional level	Rs.50/- per month
19.	(a) Persons owning Photocopying machines for job works in urban areas	Rs.100/- per month
	(b) Persons providing services of coaching (other than sports) typing, printing, lamination etc. in urban areas	Rs. 200/- per month
20.	Educational Institutions, Tutorial Colleges, institutes (other than those owned by the State Government or the Central Government)	Rs.200/- per month
21.	Property Developers including Land Developers and Building/ Flat Developers.	Rs.200/- per month
22.	Persons owning/running --	
	(a) Computer institutes selling time	Rs.100/- per month
	(b) Computer Training Institutes or E-café	Rs.200/- per month
	(c) Driving Institutes/Technical Training Institutes	Rs.100/- per month
	(d) Indoor sports or health facilities in urban areas	Rs.200/- per month
23.	Persons owning Marriage Halls and providing these on rent or agencies providing sound, lighting, furniture, tent houses, shamina etc. on payment for marriages/ functions.	Rs.200/- per month
24.	(a) Transport Companies and transport	Rs.200/- per month

contractors including forwarding
and clearing agent

- (b) Bankers who are financing the trade against hundies or other securities by way of short-term advance on interest Rs.200/- per month
- 25.** (a) Authorized assistants recognized by stock exchange Rs.200/- per month
(b) Persons operating courier service Rs.200/- per month
- 26.** Persons running--
(a) ISD, STD booths in urban areas Rs. 100/- per month
(b) Cold storage Rs.200/- per month
(c) Motor vehicle parking or more than 20 vehicles in urban areas." Rs.200/- per month

Yours faithfully,

**(RANGILA RAM RAO)
Excise and Taxation Minister,
Himachal Pradesh.**