14.5 The Tamilnadu Village Panchayats (Collection of Tax on Profession, Trade, Calling and Employment) Rules, 2000

(G.O. (Ms) No. 8 Rural Development (C4), dated 10th January, 2000)

In exercise of the powers conferred by sub-section 1 of 242 of the Tamilnadu Panchayats Act, 1994 (Tamilnadu Act 21 of 1994), the Governor of Tamilnadu hereby makes the following Rules :

RULES

1. Short tile and application - These Rules may be called the Tamil Nadu Village Panchayats (Collection of Tax on Profession, Trade, Calling and Employment) Rules, 2000.

(2) They shall apply to all Village Panchayats

2. Definitions- (1) In these Rules, unless the context otherwise requires -

(i) "**Act"** means the Tamil Nadu Panchayats Act, 1994 (Tamil Nadu Act 21 of 1994)

(ii) **"average half-yearly income"** means the average of the total gross income for the year earned by a person.

(iii) **"Director"** means the Director of Rural Development

(iv) **"drawing and disbursing Officer"** means an Officer in Central or State Government Department, quasi Government or private Company or Organisation who is in charge of passing of the pay bills and disbursement of pay to the Employees.

(v) **"Form"** means Form appended to these Rules;

(vi) "**General revision"** means the revision of tax once in five years by the Panchayat concerned;

(vii) "**Panchayat "** means Village Panchayat constituted under the Act;

(viii) **"place of work**" means the place where a person liable to pay tax ordinarily carries on his profession, trade, calling or employment;

(ix) **"tax"** means the tax fixed on profession, trade, calling or employment by the Panchayat concerned under sub-section (2) of Section 198-B of the Act.

(2) Words and expression used but not defined in these Rules shall have the meanings respectively assigned to them in the Act.

3. Fixation of tax - The Executive Authority of the Panchayat shall fix the rate of tax in accordance with the provision of the Act, before a general revision of tax is started. The first general revision of tax under these Rules shall be taken up for the half-year commencing from the 1st April, 2000.

4. Publication of tax - The Inspector shall make arrangements for publication of the tax fixed by the Panchayat under Rule 3 in the Panchayat Office and in one or more conspicuous places of the Wards concerned. He shall also give vide publicity through Tom Tom or loud speakers as approved by the Panchayat for information of the public.

5. Mode of payment of tax - (1) The drawing and disbursing Officer of the Office concerned shall recover the tax for the half-year from the pay of the Employees concerned in the months of August and January of every year. He shall remit the tax amount for the half-year in full to the Executive Authority concerned by means of cheque or demand draft on or before the 15th September and 15th of February respectively, every year along with the return as in **Form 1.**

(2) Every self-drawing Officer of the Central or State Government or *quasi* Government Undertaking shall pay the tax for the half-year from the pay for the months of August and January every year by means of cheque or demand draft drawn in favour of the Executive Authority

concerned before the 15th September and 15th of February, respectively. While presenting his pay bill for the months of September and February, respectively, he shall be given a certificate for having paid the tax to the Executive Authority concerned indicating the number and date of the cheque or demand draft in his pay bill. The Treasury Officer shall honour the pay bill of such self-drawing Officer for the months of September and February only if such certificate is enclosed along with the pay bill.

(3) If the pay of an employee for the month of January or August of a year was not drawn, the tax shall be recovered as and when his pay for such month is drawn subsequently and the cheque or demand draft for the tax amount shall be sent to the Executive Authority concerned together with **FORM 1** within fifteen days of the recovery of such tax.

(4) Every Trader or Professional or an Employee having an average half-yearly income of Rs.21,0001 (Rupees twenty one thousand and one only) and above shall file a return in **Form 2** within thirty days from 1st December 1999 or the date to the notified by the Panchayat concerned whichever is earlier. The return shall be acknowledged by the Panchayat:

Provided that Executive Authority may extend the time for filing of returns for another thirty days.

(5) (a) The person filing a return under sub-Rule (4) shall remit the tax on the basis of his average half-yearly income in the office of the Panchayat concerned by means of challan or by cheque or demand draft. The return shall be accompanied by the challan or cheque of demand draft for the tax amount due for the half – year for which the return is filed in the office of the Panchayat The return not accompanied by the challan or cheque or demand draft shall be deemed to have been not duly filed.

(b) The return filed by a person under sub-Rule (4) shall be valid for a period of five years.

(c) The tax for the subsequent half-year shall be paid within the period of half-year concerned as a provided in clause (a) but without filing the return.

(6) If there is a change in the average half-yearly income or if there is a change in the place of trade, profession or employment, the person concerned, shall file a fresh return as provided in clause (a) of sub-Rule (5). Such change shall take effect from the next half-year period and it shall be valid upto the next general revision of tax.

(7) The Executive Authority may, on its own motion or on application, rectify any error on the fact of the record of any return or cancel the assessment and re-assess the tax in accordance with these Rules. The excess amount, if any, paid by the person concerned shall be adjusted toWards tax that may be payable by him in future within such period as may be specified by the Executive Authority:

Provided that no such re-assessment of tax which has the effect of enhancing the tax as assessed by the person concerned in the return filed by him shall be made unless he has been given an opportunity of being heard and within thirty days from the date of receipt of the notice by him.

6. Assignment of Permanent Account Number and issue of Pass Book. – (1) The Executive Authority, after receiving the returns filed under sub-Rules 91) and (4) and Rule 5, shall issue a pass book or card valid for five years as in **Form 3** within thrity days from the date of receipt of such return.

(2) The Executive Authority shall assign a permanent account number for a person who files a return under sub-Rules (1) and (4) of Rule 5 and in accordance with the guidelines issyued by the Director or the Government, from time to time. The permanent account number so assigned shall be indicated in the pass book or card. The Executive Authority shall maintain a permanent account register to record the details of each permanent account number holder.

(3) The pass book or card issued to a person in the middle of the period of a general revision of tax shall be valid for the period upto the next general revision of tax is taken up.

(4) If any pass book or card is lost or mutilated, the person concerned may apply to the Executive Authority for a duplicate pass book or card alongwith a challan for rupees ten paid in the office of the Panchayat concerned. In the case of mutilated pass-book or card, such mutilated pass book or card shall also be enclosed alongwith the application. The Executive Authority shall furnish the duplicate pass book or card within fifteen days from the date of receipt of such application and such duplicate pass book or card shall be valid upto the issue of a new pass book or card after a general revision of tax.

7. Checking of return : The Executive Authority shall verify the return filed by the persons concerned under sub-Rules (1) and (4) of Rule 5 in the following manner: -

(a) If a person has filed a return for the maximum amount of tax filed or where the return is accompanied by a proper evidence as proof for his gross income, such returns need not be verified;

(b) Among the returns which are not of the kind specified in clause (a), he shall select at random ten per cent of the total number of such returns under each slab rate fixed in the Act and verify the correctness of the contents of such returns. Such ten percent verification shall be completed within the next half-year period and in the case of general revision of tax within the next half-year period after the general revisions is over. For this purpose, he may require the person concerned to produce copies of income tax or sales tax returns or any other relevant documents.

(c)If the Executive Authority, while checking the returns, finds any error relating to the *quantum* of tax payable in the assessment made by the person or employer concerned, he shall rectify such errors after giving an opportunity to the person or employer concerned of being heard.

(d) In addition to the rectification of error in the return under clause (c), the Executive Authority shall levy penalty on such person or drawing and disbursing officer under sub-Rule (2) of Rule 9 treating such return as incorrect or incomplete under these Rules..

8. Time limit for payment of half-yearly tax – The half–yearly tax shall be paid on or before the 30th September for the first half-year and on or before the 31st March for the second half-year, respectively.

9. Levy of penalty for belated payment: - (1) When a person or drawing and disbursing officer fails to pay the tax within the period, Executive Authority shall levy a penalty at the rate of one rupee per mensem or part of a month for the tax amount of every hundred rupees or part thereof due to be paid.

(2) If a person or drawing the disbursing officer files an incomplete or incorrect return under Rule 5 and if the same is detected during checking done under Rule 7, the Executive Authority shall revise the tax amount and shall collect from the person or drawing and disbursing officers concerned, a penalty of one hundred percent of the difference of the tax revised and the tax paid as per the return filed by him.

10. Failure to file return by any person or drawing and disbursing Officer: - If any person or drawing and disbursing officer fails to file a return in **Form 1,** the Executive Authority shall direct the Panchayat Assistant to visit the place of work of the person or drawing and disbursing officer concerned and after making such enquiries as may be considered necessary, he shall prepare a return. A copy of such return so prepared shall be furnished to the person or drawing and disbursing officer concerned along with a notice for payment of the tax as assessed.

11. Maintenance of registers for collection of tax: - The Assessment Book for collection of tax shall be kept in the office of the Panchayat concerned which shall be used from one general revision to the next general revision. This register shall be maintained in accordance with the general instructions issued by the Government or Director, from time to time.

14. TAXES

12. Appeal: - If any Person or Drawing and Disbursing Officer is aggrieved by any order or decision of the Executive Authority relating to the payment of tax including penalty, he may, within thirty days from the receipt of such order or decision of the Executive Authority, appeal in writing to Village Panchayat.

13. Time-limit for disposal of appeal: - Every appeal preferred under Rule 12 shall be disposed of by the Appellate Authority before the end of the succeeding half-year period prescribed in Rule 8.

14. Revision of rate of tax by the Panchayat : (1) The Panchayat shall revise the rate of tax once in five years from the period commencing from the (1st October 1998) by increasing the rate not less than twenty-five per cent and not more than thirty-five per cent of the rate of tax fixed in the Act. The Panchayat shall not change or revise the slabs of average half-yearly income fixed in the Act:

(2) The percentage of increase in the tax once fixed by the Panchayat under sub-Rule (1) shall not be reduced without prior permission of the Government.

15. Interpretation of these Rules by Government - If any question arises as to the interpretation of these Rules, the question shall be referred to the Government whose decision thereon shall be final.

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APPENDIX
FORM I
(See Rule 5 sub-rule (1) and (3)

RETURN FOR RECOVERY OF TAX FROM THE EMPLOYEES AND OFFICERS WORKING IN

FOR THE HALF YER PERIOD----------

(Name of the Company/Organisation/Central/ State Government Offices with address)

Sl. No.	Name and designation of the employee or officer	Gross half-yearly income	Amount of tax deducted and paid	Details of chalan if paid in cash in the Panchayat Office or cheque/demand draft number in which amount is remitted
(1)	(2)	(3)	(4)	(5)

TOTAL----------

Number of employees for whom half-yearly tax was deducted and paid in the immediate previous half-year and amount thereof.

Copy of receipts for such payment.

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FORM 2

(See Rule 5(4)

RETURN FOR PAYMENT OF TAX ON PROFESSION, TRADE, CALLING AND EMPLOYMENT

1.	Name (Trade/Firm/Company Organisation/Professional)		
2.	Address	Ward No.	Ward Office
3.	Nature of Profession, trade, calling and employment (in brief)		
4.	Half yearly gross income (indicate th average six months, gross income of the previous financial year) (Photo copy of the proof for the gross income to be enclosed)		
5.	Amount of half-year tax to be paid		
6.	Whether all the tax amount due for the previous half-years have been paid. If not, whether return has been filed for arrears of tax due.		
7.	Details of Chalan or Demand Draft/cheque for payment of the half-yearly tax relating to the period in which this return is being filed.		

CERTIFICATE

I, …….. Certify that the particulars given above are true to the best of my knowledge.

Signature.

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ACKNOWLEDGEMENT

Received return for payment of tax on Profession, Trade, Calling and Employment along with Chalan No…… dated……for a sum of Rs……. being the tax for the half-year ……. From Thiru/Thirumathi……..engaged in the profession of …….. This acknowledgement is deemed to be the Assessment Order, subject to verification.

Signature and Designation

Details of slab rates of tax on Profession, Trade, Calling and employment and mode of payment of tax, penalty, verification of returns by the Panchayats, etc., (will be retained by the person filing the return).

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FORM-3

(See Rule 6)

……PANCHAYAT

Pass Book or Card for payment of tax on Profession, Trade,Calling and Employment.

Ward No. Permanent Account No……..

Ward No.

Name:

Address:

Profession/Trade/Calling and Employment:

Half-year average Gross income:

Amount of tax:

Half-year Income	Tax amount	Fine	Receipt Number or Challan Number or Demand draft Number with date and other details	Signature of the official who makes the entry along with his designation

Columns for 10 half years.

RAMESH CHANDRA PANDA
SECRETARY TO GOVERNMENT

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