KNOW ABOUT PROFESSION TAX
(Levied by Municipalities)

<table>
<tr><td>CODAL PROVISIONS</td><td>:</td><td>1. Chapter VIII (Taxation) and specifically see Sections 144 to 151 of the Puducherry Municipalities Act, 1973.

2. The Pondicherry Municipalities (Profession Tax) Rules, 1976</td></tr>
<tr><td>Registration for Profession tax</td><td></td><td>Not required as per the above act
Both the employer and employee have to file return of income for every half year. As such no registration is required</td></tr>
<tr><td>BASIS FOR ASSESSMENT OF TAX</td><td>:</td><td>Income from –
(i) Profession, Art or Calling or Business or appointment (Public or Private) or
(ii) Investments</td></tr>
<tr><td>PERSONS LIABLE TO PAY TAX</td><td>:</td><td>(a) Every company which transacts business for not less than 60 days in the aggregate in any half-year
(b) Every person in any half-year exercises any profession, art or calling or transacts business or holds any appointment, public or private for not less than 60 days in the aggregate and is in respect of any income from investments.
NB:
(i) 1st Half-year means a year commencing from 1st April of the year and ending on 30th September of the year.
(ii) 2nd Half-year means a year commencing from 1st October of the year and ending on 31st March of the succeeding year.</td></tr>
<tr><td>TAX TARIFF</td><td>:</td><td>
<table>
<tr><td rowspan="2">Class</td><td colspan="2">Half – Yearly Income Rs.</td><td rowspan="2">Maximum Half-Yearly Tax Rs.</td></tr>
<tr><td>From</td><td>To</td></tr>
<tr><td>(1)</td><td colspan="2">(2)</td><td>(3)</td></tr>
<tr><td>I</td><td>Upto 99,999</td><td>……..</td><td>Nil</td></tr>
<tr><td>II</td><td>1,00,000</td><td>2,00,000</td><td>250</td></tr>
<tr><td>III</td><td>2,00,001</td><td>3,00,000</td><td>500</td></tr>
<tr><td>IV</td><td>3,00,001</td><td>4,00,000</td><td>750</td></tr>
<tr><td>V</td><td>4,00,001</td><td>5,00,000</td><td>1,000</td></tr>
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<tr><td>Responsibility of the Employer to deduct tax from salary or wages or other</td><td>:</td><td>Every employer shall on receipt of a requisition from the Commissioner, deduct from the salary or wages of any</td></tr>
</table>

sum of the Employee		person employed by the employer and pay to the Municipality.
Assessment of Income in the case of Company or person transacting business	:	The income will be assessed on the basis of turnover of business.
Filing statement of turnover of business	:	Every company or person transacting any business shall furnish a statement of turnover of business after the completion of every half-year.
Other Self - Employed Individuals	:	Shall furnish statement of income for every Half-yearly.

KNOW ABOUT PROFESSION TAX
(Levied by Panchayats)

<table>
<tr><td>CODAL PROVISIONS</td><td>:</td><td>1. Chapter VIII (Taxation) and specifically see Sections 143 to 147 of the Puducherry Village and Commune Panchayats Act, 1973.
2. The Pondicherry Village and Commune Panchayats (Profession Tax) Rules, 1976</td></tr>
<tr><td>Registration for Profession tax</td><td></td><td>Not required as per the above act
The employer, employee and the other individual have to file return of income for every half year. As such no registration is required</td></tr>
<tr><td>BASIS FOR ASSESSMENT OF TAX</td><td>:</td><td>Income from –
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<tr><td>PERSONS LIABLE TO PAY TAX</td><td>:</td><td>(a) Every company which transacts business for not less than 60 days in the aggregate in any half-year
(b) Every person in any half-year exercises any profession, art or calling or transacts business or holds any appointment, public or private for not less than 60 days in the aggregate and is in respect of any income from investments.
NB:
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</table>

		Municipality.
Assessment of Income in the case of Company or person transacting business	:	The income will be assessed on the basis of turnover of business.
Filing statement of turnover of business	:	Every company or person transacting any business shall furnish a statement of turnover of business after the completion of every half-year.
Other Self - Employed Individuals	:	Shall furnish statement of income for every Half-yearly.

also be sent to the Commissioner of the municipality concerned the Director, Local Administration Department, Pondicherry, and the Auditor of the accounts of receipts and expenditure of the municipal fund. The initial records based on which these statements are prepared will be opened to check by the Auditor of the accounts of receipts and expenditure of the municipal fund.

7. The deductions on account of collection of the duty on toddy trees shall be credited to the Government.

[G. O. Ms. No. 234, dated 1—8—1976 L A D]

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42. THE PONDICHERRY MUNICIPALITIES (PROFESSION TAX) RULES, 1976.

In exercise of the powers conferred by section 118 read with section 440 of the Pondicherry Municipalities Act, 1973 (No. 9 of 1973), and of all other powers enabling him in this behalf, the Lieutenant-Governor, Pondicherry hereby makes the following rules, namely:—

1. Short title and commencement:— (1) These rules may be called the Pondicherry Municipalities (Profession Tax) Rules, 1976.

(2) They shall come into force at once.

2. Definitions.– In these rules, unless there is anything repugnant in the subject or context–

(a) 'Act' means the Pondicherry Municipalities Act, 1973 (No. 9 of 1973);

(b) 'Form' means a Form appended to these rules.

(c) 'profession tax' means the tax leviable under section 144 of the Act:

(d) 'section' means a section of the Act.

3. (1) The council shall determine the tax leviable on each class subject to the maximum specified in Schedule IV of the Act:

Provided that the proportion which the tax on any class bears to the minimum income of that class shall in no case be smaller than the proportion which the tax on any lower class bears to the minimum income of such lower class.

(2) The council may exempt any one or more of the classes in Schedule IV of the Act from liability to profession tax, but the class shall be exempted from liability when any lower class is liable to tax.

4. A company or person shall be deemed to have transacted business and a person shall be deemed to have exercised a profession, art or calling or held an appointment within a municipality if such company or person has an office or place of employment within such municipality.

5. (1) Where a company or person transacts any business other than money-lending in any half year exclusively in the area of a single municipality, the income of such company or person from the transaction of such business shall, for the purpose of levying profession tax under this Act during the half year, be deemed to be:—

(a) Where income-tax is assessed on such company or person under the Income-Tax Act, 1961 (Central Act, 43 of 1961), for the year comprising the half-year, one-half of the amount at which the profits and gains of such business are computed under section 28 of the Income-Tax Act, 1961 (Central Act 43 of 1961) for the purpose of assessing income-tax and

(b) Where the amount of the said profits and gains is not ascertainable or where such company or person is not assessed to income-tax, such percentage or percentages calculated with reference to rule 6, of the turnover of business transacted in the area of the municipality during the half year or where this is also unascertainable, during the corresponding half-year of the previous year.

(2) Where a company or person transacts any business other than money-lending partly in the area of a municipality and partly outside such area, the income of such company or person from the transaction of such business in the area of the municipality shall, for the purpose of levying profession tax under the Act be deemed to be the percentage, calculated with reference to rule 6; of the turnover of such business transacted in such area during the half-year or the corresponding half-year of the previous year, as the case may be.

(3) For the purposes of clause (b) of sub-rule (1) and sub-rule (2), the turnover of business in any municipality means the aggregate money value of the goods produced, manufactured, purchased or sold or of any other business except money-lending transacted in such municipality.

Explanation:- In determining the turnover of business under this sub-rule.

(a) where the delivery of any goods on account of a purchase made by any company or person and the delivery on account of the sale thereof by the same company or person are both effected in the Union Territory of Pondicherry, only the latter transaction shall be taken into account.

(b) where the delivery of any goods on account of a purchase made by any company or person is effected in any place outside the said Union Territory and the delivery on account of the sale thereof by the same company or person is effected in any place in the said Union Territory, the latter transaction shall be taken in to account; and

(c) where the delivery of any goods on account of a purchase made by any company or person is effected in a place in the said Union Territory and the delivery on account of the sale thereof by the he company or person is effected in any place outside the said [illegible]ion Territory, the former transaction shall be taken into [acc]ount.

6. For the purpose of calculating the income for levying [pro]fession tax, the percentage of turnover of business under clause [ ] of sub - rule (1) and sub - rule (2) of rule 5 shall be as [spec]ified in columns (1) and (2) of the following table:

Provided that if in any case, the income so calculated is less [th]an the minimum sum specified in column (3) of the said table, [the] percentage shall be enhanced to such a rate as would yield [su]ch minimum sum.

TABLE.

	Percentage	Minimum
(1)	(2)	(3)
		Rs.
[W]here the turnover of business exceeds 12 lakhs of rupees.	1	18,0.0
[W]here the turnover of business exceeds 6 lakhs of rupees but does not exceed 12 lakhs of rupees.	1.5	12,000
[W]here the turnover of business exceeds 3 lakhs of rupees but does not exceed 6 lakhs of rupees.	2	9,000
[W]here the turnover of business exceeds 1,50,000 rupees but does not exceed 3 lakhs of rupees.	3	6,000
[W]here the turnover of business does not exceed 1,50,000 rupees.	4	———

7. (1) If, in the opinion of the Commissioner, profession tax [...] will be due from any company or person for any half-year, [he] shall serve a notice on such company or person either in that

half-year or in the succeeding half-year requiring the comp[any] or person to furnish within such period, not being less than thi[rty] days as may be specified in the notice a return in Form I showi[ng] the income on the basis of which, according to such company [or] person, it or he is liable to be assessed to profession tax fo[r the] half-year in question. Thereupon it shall be open to su[ch] company or person to submit a return showing the income deriv[ed] by it or him during the half-year for which profession tax [is] claimed or for the corresponding half-year of the previous yea[r] and produce any evidence on which the company or person m[ay] rely in support of the return made.

Explanation — Where, in pursuance of section 150 a stat[e]ment regarding the income of a company or the salary or incom[e] of an employed person has been furnished to the Commission[er] nothing in this sub-rule shall be deemed to require the Commis[-]sioner to serve a notice on such company or person.

(2) If a return is made as required under sub-rule (1) o[r] a statement regarding the income or salary is furnished secti[on] 150 and the Commissioner is satisfied that it is correct an[d] complete he shall levy the profession tax from such company o[r] person on the basis of such return or statement.

Explanation — In case not falling under clause (b) of sub[-]rule (1) or under sub-rule (2) of rule 5, if the company o[r] person produces the notice of demand of income-tax served on i[t] or him under section 156 of the Income-tax Act, 1961 (Cent[ral] Act 43 of 1961), for the year comprising the half-year in questi[on] the Commissioner shall be bound to take one-half of t[he] income mentioned in such notice of demand as the income deriv[ed] from the sources on which profession tax is leviable under th[e] Act, as the income on the said sources for the purposes [of] levying profession tax.

(3) If no return is made as required under sub-ru[le] (1) or if no statement is furnished under section 150 or if t[he] Commissioner is satisfied that any return so made or an[y]

statement so furnished is incorrect or incomplete, the Commissioner shall assign to the company or person the class in the scale appropriate to the half-yearly income of such company or person as estimated by him.

(4) The Commissioner may, when classifying any company of person under sub-rule (3) do so on general considerations with reference to the nature and reputed value of the business transacted, the size and rental of residential and business premises, the quantity and number of articles dealt with, the number of persons employed and the income-tax paid.

(5) The Commissioner shall not be entitled to call for the accounts of any company or person.

8. (1) Notwithstanding anything contained in these rules, every person commencing to exercise any profession, art, trade or calling or to hold any office or appointment within the municipality, shall within thirty days of such commencement give information of the fact to the Commissioner.

(2) Every person who is liable to the payment of tax, and who shall change either the designation of his firm or the nature of his profession, art, trade or calling or office or appointment, shall within thirty days of such change, give intimation thereof to the Commissioner.

9. (a) Every employer making the deduction under sub-section (1) or sub section (2) of section 151 of the Act shall, at the time of payment of the salary or wages or sum, furnish to every person to whom such payment is made a certificate thereof signed by him or by some person duly authorised by him in that behalf.

(b) Such certificate shall specify.

(i) the date of grant thereof.

(ii) the name of the person to whom it is granted.

(iii) the period for which payment has been made.

(iv) the amount paid.

(c) any sum as deducted by an employer shall be paid to the credit of the Municipality within fifteen days from the date of such deduction.

10. Every employer making the deductions under sub-section (1) or sub-section (2) of section 151 of the Act shall prepare and within thirty days after the expiry of the half-year deliver or cause to be delivered to the Commissioner, after verifying the correctness of the said deductions with reference to the requisition of theCommissioner a return in Form II

11. An appeal shall lie to the municipal council against any assessment of profession tax made by the Commissioner under the Act:

Provided that no such appeal shall be heard by the municipal council unless it is filed within thirty days from the date of issue of the Demand Notice by the Commissioner.

12. Whoever—

(a) contravenes any provision of any of the rules, or

(b) fails to comply with any of the provisions of the rules, shall be punishable with fine which may extend to one hundred rupees.

FORM I

[See Rule 7 (1)]

RETURN OF INCOME FOR ASSESSMENTS TO PROFESSION TAX DURING THE HALF-YEAR ENDING

(1) Name of the company or person.

(2) Description of business, profession, art or calling or appointment.

(3) Income derived by the assessee during the half-year or the corresponding half - year of the previous year, from the

exercise of any profession, art or calling, or from holding any appointment, public or private, or from money-lending business—

(a) Within the municipality for not less than sixty days in the aggregate during the half-year:

(b) without the municipality if the assessee has resided within the municipality for not less than sixty days in the aggregate during the half-year;

(4) Where business other than money-lending is transacted exclusively within the municipality--

(a) where income-tax has been assessed on the company or person for the year comprising the half-year the amount at which the profits and gains of such company or person were computed under Section 2 of the Income Tax Act, 1961 (Central Act, 43 of 1961), for the purpose of assessing such income-tax;

(b) where the said profits and gains are not ascertainable or where income-tax has not been assessedfor the year corresponding to the half-year--

(i) the turnover of the business transacted within the municipality during the half-year; or

(ii) where such turnover is not ascertainable. the turnover of the business during the corresponding half-year of the previous year.

(5) Where business other than money-lending is transacted by the company or person partly in the municipality and partly outside such municipality--

(a) the turnover of business transacted in the municipality, during the half-year, or

(b) where such turnover is not ascertainable, the turnover of business in the municipality during the corresponding half-year of the previous year.

(6) Income derived by the assessee--

(a) from the business transacted outside the municipality, and

(b) from any pension or investments during the half-year, if the assessee has resided within the municipality for not less than sixty days in the aggregate during the half-year.

(7) The aggregate income on the basis of which according to the company or person it or he is liable to be assessed.

FORM II

(See Rule 10)

Sl. No.	Name of person	Occupation/ Designation	Residential address
(1)	(2)	(3)	(4)

		Profession tax-payable	
Half-yearly income for the period ending	Demand No. date and the amount of profession tax	Date on which the amount was deducted by the company/ firm	Date on which the amount was paid to the municipality
(5)	(6)	(7)	(8)

VERIFICATION.

Certified that to the best of my knowledge and belief, the information given in this return is correct and complete and other particulars shown are truly stated

Signature of the Employer,

(G. O. Ms. No. 235, dated 1—8—1976- LAD)

43. THE PONDICHERRY MUNICIPALITIES (ADVERTISEMENT TAX) RULES, 1976.

In exercise of the powers conferred by section 440 of the Pondicherry Municipalities Act, 1973 (No. 9 of 1973), and of all other powers enabling him in this behalf the Lieutenant-Governor, Pondicherry hereby makes the following rules, namely:—

PRELIMINARY

1. Short title and commencement: — (1) These rules may be called the Pondicherry Municipalities (Advertisement Tax) Rules, 1976.

2016

(2) They shall come into force at once.

2. Definitions:— In these rules, unless the context otherwise requires:—

(a) "Act" means the Pondicherry Municipalities Act, 1973;

(b) "advertiser" includes any agent or owner or principal on whose behalf the advertisement is displayed, the owner of any enterprise about which the advertisement is displayed or the owner of the structure or place or building on which the advertisement is made:

(c) " board" includes a case, frame or surface of any material whatsoever:

(d) " Form" means a form appended to this rules;

(b) " month," means a calendar month;

(f) "person" includes a Hindu undivided family, any company or association or body of individuals whether incorporated or not,

(g) "section" means a section of the Act; and