

THE LUXURY TAX ON TOBACCO (VALIDATION) ACT, 1964
(Act 9 of 1964)

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THE LUXURY TAX ON TOBACCO (VALIDATION) ACT, 1964

(Act 9 of 1964) *

An Act to provide for the levy of a luxury tax on tobacco for the period beginning with the 17th day of August, 1950 and ending on the 31st day of December, 1957, and the validation of the levy and collection of fees for licences for the vend and stocking of tobacco for the aforesaid period.

Preamble.—WHEREAS it is expedient to provide for the levy of a luxury tax on tobacco for the period beginning with the 17th day of August, 1950 and ending on the 31st day of December, 1957, and the validation of the levy and collection of fees for licences for the vend and stocking of tobacco for the aforesaid period ;

BE it enacted in the Fifteenth Year of the Republic of India as follows :—

1. *Short title and extent.*—(1) This Act may be called the Luxury Tax on Tobacco (Validation) Act, 1964.

(2) It extends to the whole of the State of Kerala excluding the Malabar district referred to in sub-section (2) of section 5 of the States Reorganisation Act, 1956.

2. *Definitions.*—In this Act, unless the context otherwise requires,—

(i) “prescribed” means prescribed by rules made by the Government under this Act ;

(ii) “tobacco” includes leaf of the tobacco plant, snuff, cigars, cigarettes, beedies, beedi tobacco, tobacco powder and other preparations or admixtures of tobacco.

* Published in the Gazette Extraordinary dated 4th March, 1964.
Received the assent of the President on the 3rd day of March, 1964
For Statement of Objects and Reasons—See Gazette Extraordinary dated 12th February, 1964.

3. *Charge of luxury tax.*—For the period beginning with the 17th day of August, 1950 and ending on the 31st day of December, 1957, every person vending or stocking tobacco within any area to which this Act extends shall be liable and shall be deemed always to have been liable to pay a luxury tax on such tobacco in the form of a fee for licence for the vend and stocking of the tobacco, at such rates as may be prescribed, not exceeding the rates specified in the Schedule.

4. *Power to make rules.*—(1) The Government may, by notification in the Gazette, make rules to carry out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for —

(i) the prohibition of the vending of tobacco except under a licence ;

(ii) the issue of licences for the vend and stocking of tobacco and the procedure therefor ;

(iii) the classification of licences and the rate at which tax in the form of a fee for licence may be levied for each class of licences ;

(iv) appeals from orders under the rules.

(3) The rules and notifications specified below purported to have been issued under the Tobacco Act of 1087 (Travancore Act I of 1087) or the Cochin Tobacco Act, VII of 1084, as the case may be, in so far as they relate or purport to relate to the levy and collection of fees for licences for the vend and stocking of tobacco, shall be deemed to be rules issued under this section and shall be deemed to have been in force at all material times :—

(i) the Travancore Tobacco Rules dated 5th July, 1913, as amended by Notification No. E2-5937/49/RD dated 3rd August, 1950, published at pages 1 to 3 of the Gazette Extraordinary dated 3rd August, 1950 ;

(ii) the rules issued under Notification No. E2-5937/49/RD dated 3rd August, 1950 and published at pages 3 to 5 of the Gazette Extraordinary dated 3rd August, 1950 ;

(iii) the rules issued under Notification No. E2-5937/49/RD dated 25th January, 1951, and published at pages 1 to 10 of the Gazette Extraordinary dated 25th January, 1951, as amended from time to time ;

(iv) the rules issued under Notification No. E2-5937/49/RD dated 25th January, 1951, and published at pages 11 to 20 of the Gazette Extraordinary dated 25th January, 1951, as amended from time to time ;

(v) the Notification No. E2-5937/49/RD dated 23rd May, 1951, published at page 1210 of Part I of the Gazette dated 29th May, 1951; and

(vi) the Notification No. E2-5937/49/RD dated 23rd May, 1951, published at page 1211 of Part I of the Gazette dated 29th May, 1951.

5. *Validation.*—No withstanding any judgment, decree or order of any court, all fees for licences for the vend or stocking of tobacco levied or collected or purported to have been levied or collected under

any of the rules or notifications specified in sub-section (3) of section 4 for the period beginning with the 17th day of August, 1950 and ending on the 31st day of December, 1957, shall be deemed to have been validly levied or collected in accordance with law as if this Act were in force on and from the 17th day of August, 1950 and the fees for licences were a luxury tax on tobacco levied under the provisions of this Act, and accordingly,—

(a) no suit or other proceeding shall be maintained or continued in any court for the refund of any fees paid or purported to have been paid under any of the said rules or notifications; and

(b) no court shall enforce a decree or order directing the refund of any fees paid or purported to have been paid under any of the said rules or notifications.

6. *Recovery of licence fees refunded.*—Where any amount paid or purported to have been paid as a fee for licence under any of the rules or notifications specified in sub-section (3) of section 4 has been refunded after the 24th day of January, 1962, and such amount would not have been liable to be refunded if this Act had been in force on the date of the refund, the person to whom the refund was made shall pay the amount so refunded to the credit of the Government in any Government treasury on or before the 16th day of April, 1964, and, where such amount is not so paid, the amount may be recovered from him as an arrear of land revenue under the Revenue Recovery Act for the time being in force.

7. *Repeal.*—The Luxury Tax on Tobacco (Validation) Ordinance 1963 (Ordinance No. 1 of 1963), is hereby repealed.

THE SCHEDULE

(See section 3)

<i>Item No.</i>	<i>Description</i>	<i>Rate of tax</i>
(1)	Jaffna tobacco	Rs. 1,500 for the first 100 candies or fraction thereof and Rs. 1,000 for every additional 100 candies or fraction thereof per annum or part thereof.
(2)	Tobacco produced in India (Unmanufactured)	Rs. 1,000 for the first 100 candies or fraction thereof and Rs. 750 for every additional 100 candies or fraction thereof per annum or part thereof.
(3)	Beedi or/and beedi tobacco	Rs. 1,000 for the first 25 candies or fraction thereof and Rs. 750 for every additional 25 candies or fraction thereof per annum or part thereof.
(4)	Tobacco preparations of all kinds	Rs. 1,000, provided the value of the preparations does not exceed Rs. 20,000; and for every additional quantity of the value of Rs. 20,000 or part thereof, Rs. 750 per annum or part thereof.