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THE SCHEDULE

THE PUNJAB PROFESSIONS, TRADES, CALLINGS
AND EMPLOYMENTS TAXATION ACT, 1956.

PUNJAB Act No. VII OF 1956.

[Received the assent of the Governor of Punjab on the 20th April, 1956 and was first published in the Punjab Government Gazette (Extraordinary) of the 3rd May, 1956].

1	2	3	4
Year	No.	Short title	Whether affected by later legislation
1956		The Punjab Professions, Trades, Callings and Employments Taxation Act, 1956	Amended by— Punjab Act No. 3 of 1957. ² Punjab Act No. XII of 1957 ³ Extended to the territories which immediately before the 1st November, 1956, were comprised in the State of Pepsu by Punjab Act No. 5 of 1957. ⁴ Amended by Punjab Act No. 3 of 1960. ⁵ Amended by Punjab Act No. 10 of 1962. ⁶ Amended by Punjab Act No. 7 of 1964. ⁷ Amended by the Punjab Reorganisation (Chandigarh) (Adaptation of Laws on State and Concurrent Subjects) Order, 1968.

¹ For Statement of Objects and Reasons, see Punjab Government Gazette, (Extraordinary), 1956, page 539.

² For Statement of Objects and Reasons, see Punjab Government Gazette, (Extraordinary), 1957, page 318.

³ For Statement of Objects and Reasons, see Punjab Government Gazette (Extraordinary), 1957, page 694.

⁴ For Statement of Objects and Reasons, see Punjab Government Gazette (Extraordinary), 1957, page 339.

⁵ For Statement of Objects and Reasons, see Punjab Government Gazette (Extraordinary), 1959, page 1863.

⁶ For Statement of Objects and Reasons, see Punjab Government Gazette (Extraordinary), 1962, dated the 22nd April, 1962.

⁷ For Statement of Objects and Reasons, see Punjab Government Gazette (Extraordinary), 1964, page 134.

AN
ACT

to impose a tax on professions, trades, callings
and employments for the benefit of the revenues of the
Punjab State.

BE it enacted by the Legislature of the State of Punjab
in the Seventh Year of the Republic of India as follows :—

Short title, extent
and commence-
ment.

1. (i) This Act may be called the Punjab Professions,
Trades, Callings and Employments Taxation Act, 1956.

(ii) It extends to the whole of the ¹[Union territory
of Chandigarh].

(iii) It shall come into force² in the State of Punjab
on such date as the State Government may by notifica-
tion in the official Gazette appoint.

Definitions.

2. In this Act, unless there is anything repugnant
in the subject or context,—

(a) “Prescribed” means prescribed by rules under
this Act ;

(b) “total gross income” means aggregate of
³[gross] income derived from various pro-
fessions, trades, callings and employments,
⁴[whether such profession or calling is followed,
trade is carried on or employment is, within or
outside the ¹[Union territory of Chandigarh]].

(c) “previous year” means twelve months ending
on the 31st March next proceeding the year
⁵[for] which assessments to be made;

(d) “person” includes Hindu undivided family or
an incorporated company ;

¹Substituted for the words “State of Punjab” by the Punjab Reorganisation
(Chandigarh) (Adaptation of Laws on State and Concurrent Subjects) Order, 1968.

²The Act came into force on the 20th October, 1956, see Punjab Government
Notification No. 864-FD-(D)-56/6670, dated the 20th October, 1956, published in
Extraordinary Punjab Gazette, dated 22nd October, 1956.

³Inserted by Punjab Act No. 3 of 1960, section 2.

⁴Added by Punjab Act No. 10 of 1962.

⁵Substituted for the word “in” by Punjab Act No. 3 of 1960 and it shall be, and
shall be deemed always to have been substituted.

(e) "assessing authority" in a particular area means any person authorised by the ¹[Central Government] to make any assessment under this Act.

3. Every person who carries on trade, either by himself or by an agent or representative, or who follows a profession or calling, or who is in employment, either wholly or in part, within the ²[Union territory of Chandigarh] shall be liable to pay for each financial year ³[or a part thereof] a tax in respect of such profession, trade, calling or employment: Levy of tax.

Provided that for the purpose of this section a person on leave shall be deemed to be a person in employment.

4. The tax shall be levied at the rates specified in the Schedule annexed to this Act. Rates of tax.

5. The tax payable by any person under this Act shall be determined with reference to his total gross income during the previous year; provided that the tax payable by any person shall not exceed two hundred and fifty rupees for any financial year. Determination of tax.

⁴[Explanation.—In computing the total gross income of any person under this section—

(a) the following expenses incurred by him in respect of a manufacturing concern shall be excluded,—

(1) productive wages, that is to say, expenses on direct labour which can be measured and directly charged to a job, order or product;

(2) materials consumed, that is to say, expenses on direct materials, with all charges thereon, including carriage inwards, freight, dock dues ;

¹ Substituted for the words "State Government" by the Punjab Reorganisation (Chandigarh) (Adaptation of Laws on State and Concurrent Subjects) Order, 1968.

² Substituted for the words "State of Punjab" by *ibid.*

³ Inserted by Punjab Act No. 3 of 1957, section 2. This amendment shall be, and shall be deemed always to have been inserted.

⁴ Explanation added by Punjab Act No. 3 of 1960, section 3.

(3) direct expenses of production, that is to say expenses consisting of—

(i) rent, rates, taxes, insurance of factory;

(ii) gas, fuel, lighting and heating;

(iii) patent fees and royalties;

(iv) non-productive wages of store-keepers, firemen, enginemen, time-keeper, factory clerks, superintendents and managers of factory; and

(v) repairs, renewals and depreciation of plant, machinery, tools, lands and buildings;

(b) the following expenses incurred by him in respect of a trading concern shall be excluded :—

(i) purchases;

(ii) carriage inwards;

(iii) wages; and

(iv) other direct expenses not being selling and office expenses; and

(c) an amount equal to five per centum of the aggregate gross income derived by a person from the profession of calling, if he maintains an office or establishment in connection therewith in the ordinary course of such profession or calling, shall be excluded.]

Act not to apply
to Armed Forces.

¹[5-A. The provisions of this Act shall not apply to a member of the Armed Forces of India.]

¹ Added by Punjab Act No. XII of 1957, section 2. This section shall be, and shall be deemed always to have been added.

6. If any tax payable under this Act is not paid within such time as may be fixed by rules under this Act, it shall be recoverable as an arrear of land revenue.

Recovery of tax as arrears of land revenue.

7. (1) In the case of persons serving under the State or Central Government or in the employment of local authority, the tax which any such person in employment is liable to pay shall be deducted at the source in the manner prescribed with reference to his total gross income.

Deduction of tax from certain servants.

(2) The amount of the tax deducted in respect of persons in the employment of any local authority shall be credited into the Government Treasury by the local authority concerned within fifteen days of such deduction, failing which it shall be liable to pay interest on the amount's deducted at 6 per cent per annum.

8. (1) The assessing authority may require any person to file a return of his total gross income and to attend before him to give evidence or produce documents in the manner prescribed for the purpose of determining such person's liability under this Act.

Power to compel attendance for giving evidence or to call for documents.

(2) Such person shall be legally bound to attend and give evidence or to produce the document if in his possession or power, as the case may be, at the place and time specified in the notice, and whoever is required to produce a document may either attend to produce it or cause it to be produced.

¹[8-A. Any person liable to pay tax under this Act who—

Offences and penalties.

(a) fails to submit a return as required by sub-section (1) of section 8 or submits a false return ; or

(b) fails to appear and given evidence or to produce documents either in person or through his agent before the Assessing Authority ; or

(c) knowingly produces incorrect accounts, registers of documents, or knowingly furnishes incorrect information;

¹Inserted by Punjab Act No. XII of 1957, section 3.

may be assessed summarily to the maximum rate of tax specified in the Schedule annexed to this Act.]

Income escaping
assessment

¹[8-B. If in consequence of definite information which has come into his possession, the assessing authority discovers that a person has escaped assessment or has been under-assessed for any financial year, the assessing authority may, at any time within three years of the end of that year and after affording him an opportunity of being heard, proceed to assess or re-assess the tax payable by such person.]

Power to recover
penalty where tax
not paid within
time.

²[8-C. Where any person fails to pay within such time as may be fixed by rules under this Act any amount due from him on account of the tax assessed on him under this Act, the assessing authority may recover from such person, by way of penalty and in addition to the tax payable by him, a sum not exceeding one-fourth of the amount of the tax so assessed :

Provided that no such penalty shall be recovered from such person without affording a reasonable opportunity to him and unless the assessing authority is satisfied that he has wilfully failed to pay the tax.]

Appeal and revision.

9. (1) Any person who has been informed of his liability to pay the tax ³[under this Act or the penalty recoverable under section 8-C] or who is otherwise aggrieved by an order, passed under this Act or the rules made thereunder may, within thirty days from the date of receipt by him of the information of the order, make an appeal to such authority as may be prescribed in this behalf by the ⁴[Central Government] and that authority shall, thereupon, pass such order as it may think fit after affording a reasonable opportunity to the parties affected thereby of being heard:

⁵[Provided that no appeal shall be entertained unless the appellate authority is satisfied that ⁶[the amount of tax and the penalty, if any, recoverable] assessed on the assessee has been paid.]

¹Inserted by Punjab Act No. 3 of 1960, section 4.

²Inserted by Punjab Act No. 7 of 1964.

³Substituted for the words "under this Act" by Punjab Act No. 7 of 1964.

⁴Substituted for the words "State Government" by the Punjab Reorganisation (Chandigarh) (Adaptation of Laws on State and Concurrent Subjects) Order 1968.

⁵Added by Punjab Act No. 3 of 1960, section 5.

⁶Substituted for the words "amount of tax assessed". by Punjab Act No. 7 of 1964.

(2) Any person aggrieved by an order made under sub-section (1) may, within thirty days from the date of the receipt by him of the order apply to ¹[Central Government] or to such authority as the ¹[Central Government] may, by notification, appoint in this behalf, for its revision. The ¹[Central Government] or the authority so appointed, as the case may be, may thereupon pass such order in relation thereto as it may think fit after giving the applicant and such other person as may be affected by the order a reasonable opportunity of being heard.

²[(3) Subject to the provisions of sub-section (2), the ¹[Central Government] or the authority appointed in this behalf by the ¹[Central Government] may, on its own motion or on an application made to it, call for the record of any proceedings which are pending before or have been disposed of by any assessing or appellate authority under this Act for the purpose of satisfying itself as to the legality or propriety of such proceedings or of any order made therein and pass such order in relation thereto as it may deem fit :

Provided that no order shall be made under this sub-section which adversely affects the rights of a person without giving such person a reasonable opportunity of being heard.]

³[9-A. Any proceeding before any authority under this Act shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 and for the purpose of section 196 of the Indian Penal Code.

Proceedings before authorities under the Act to be judicial proceedings for certain purposes.

9-B. Where the ¹[Central Government] is of the opinion that it is necessary or expedient, in the public interest so to do, it may, by notification and subject to such conditions, if any, exempt any person or class of persons from the operation of this Act.]

Power to exempt.

10. No civil court shall entertain any suit instituted or application made to obtain a decision or orders on the liability of any person to pay the tax and no prosecution,

Bar of Civil and Criminal suits.

¹Substituted for the words "State Government" by the Punjab Reorganisation (Chandigarh) (Adaptation of Laws on State and Concurrent Subjects) Order, 1968.

²Added by Punjab Act No. 3 of 1960.

³Inserted by Punjab Act No. 7 of 1964.

suit or other proceedings shall lie against any public servant for anything done, or intended to be done, in good faith under this Act or any rule made thereunder.

Power to make rules.

11. (1) The ¹[Central Government] may make ²rules for carrying into effect the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, the ¹[Central Government] may make rules in regard to—

(a) all matters which are required to be prescribed under this Act ;

(b) the manner in which a person who is liable to pay the ³[tax and the penalty, if any,] under this Act, shall be informed of his liability ;

(c) the time at which, and the manner in which the ³[tax and the penalty, if any,] payable under this Act shall be paid ;

(d) the conditions subject to which the tax payable under this Act or part thereof may be refunded ;

(e) the procedure for claiming a refund of the tax payable under this Act or part thereof ;

⁴(f) * * * * *

(g) the remission in whole or in part of the tax payable under this Act ; and

⁵(h) the procedure to be followed in hearing appeals and applications for revision under this Act, the fees to be paid in respect of, and the documents which shall accompany, such appeals and applications and the period within which they shall be filed.]

¹Substituted for the words "State Government" by the Punjab Reorganisation (Chandigarh) (Adaptation of Laws on State and Concurrent Subjects) Order, 1968.

²"Rules framed" vide Punjab Government notification No. 864-FD(II)-66/6669, the 20th October, 1956.

³Substituted for the word "tax" by Punjab Act No. 7 of 1964.

⁴Clause (f) omitted by Punjab Act No. 7 of 1964.

⁵Substituted by Punjab Act No. 10 of 1962.

THE SCHEDULE

(See Section 4)

Rate of tax	Amount of tax
	Rs
Where the total gross annual income—	
(1) exceeds Rs 6,000 but does not exceed Rs 8,500	120
(2) exceeds Rs 8,500 but does not exceed Rs 13,500 ..	150
(3) exceeds Rs 13,500 but does not exceed Rs 25,000 ..	200
(4) exceeds Rs 25,000 ..	250

Provided that the tax will not be levied on a Hindu undivided family not liable to income-tax under the Income-tax Law as in force from time to time:

¹[Provided further that where tax is payable in respect of a part of the financial year, it shall be an amount bearing to the tax payable for the whole of the financial year the same proportion as the period in respect of which the tax is payable bears to the financial year.]

¹Added by Punjab Act No. 3 of 1957, Section 3. These words shall be, and shall be deemed always to have been added.