

THE TELANGANA TAX ON PROFESSIONS, TRADES, CALLINGS AND EMPLOYMENTS ACT, 1987.

(ACT NO. 22 OF 1987)

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THE TELANGANA TAX ON PROFESSIONS, TRADES, CALLINGS AND EMPLOYMENTS ACT, 1987.¹

ACT No.22 OF 1987.

1. (1) This Act may be called the ²Telangana Tax on Professions, Trades, Callings and Employments Act, 1987. **Short title, extent and commencement.**

(2) It extends to the whole of the State of ²Telangana.

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

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

(a) “**appellate authority**” means the appellate authority appointed under section 3;

(b) “**assessee**” means a person or employer by whom tax is payable under this Act;

(c) “**assessing authority**” means an assessing authority appointed under section 3;

(d) “**Commissioner**” means the Commissioner of profession tax appointed under section 3;

(e) “**employee**” means a person employed on salary or wages and includes,—

1. The Andhra Pradesh Tax on Professions, Trades, Callings and Employments Act, 1987 received the assent of the Governor on the 16th April, 1987. The said Act in force in the combined State, as on 02.06.2014, has been adapted to the State of Telangana, under section 101 of the Andhra Pradesh Reorganisation Act, 2014 (Central Act 6 of 2014) vide. the Notification issued in G.O.Ms.No.169, Revenue (Commercial Taxes-II) Department, dated 18.09.2015.

2. Substituted by G.O.Ms.No.169, Revenue (CT.II) Department, dated 18.09.2015.

(i) an employee 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) a person 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 head-quarters may be situated outside the State; and

(iii) a person engaged in any employment of an employer, not covered by items (i) and (ii) above;

(f) **“employer”** in relation to an employee earning any salary or wages on regular basis under him, means the person or the officer who is responsible for disbursement of such salary or wages; and includes the head of the office or any establishment as well as the manager or agent of the employer;

(g) **“Government”** means the State Government of ³Telangana;

(h) **“local authority”** means—

(i) in the City of Hyderabad and in the City of Secunderabad, excluding the Cantonment area, the Municipal Corporation of Hyderabad ⁴[xxx] and in any other Municipality, the Municipal Council concerned;

(ii) in any area which is comprised within the jurisdiction of Gram Panchayat, the Gram Panchayat concerned; and

3. Substituted by G.O.Ms.No.169, Revenue (CT.II) Department, dated 18.09.2015.

4. Omitted by G.O.Ms.No.169, Revenue (CT-II) Department, dated 18.09.2015.

(iii) in any other area, the authority legally entitled to or entrusted by the Government with the control or management of a profession tax;

(i) “**notification**” means a notification published in the⁵Telangana Gazette, and the word ‘notified’ shall be construed accordingly;

(j) “**person**” means any person who is engaged in any profession, trade, calling or employment in the State of⁵Telangana and includes a Hindu undivided family, firm, company, corporation or other corporate body, any society, club or association, so engaged but does not include any person who earns wages on a casual basis;

Explanation: Every branch of a firm, company, corporation or other corporate body, any society, club or association shall be deemed to be a person;

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

(l) “**profession tax**” means a tax leviable under this Act;

(m) “**salary or wages**” includes pay or wages, dearness allowances and all other remunerations received by any assessee on regular basis, whether payable in cash or kind and also includes requisitions and profits in lieu of salary as defined in section 17 of the Income-tax Act, 1961, but does not include bonus in any form and on any account or gratuity;

Central Act 43 of 1961.

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

5. Substituted by G.O.Ms.No.169, Revenue (CT.II) Department, dated 18.09.2015.

(o) “**Year**” means the twelve months ending on the 31st day of March.

Appointment of a Commissioner and other officers.

3. (1) The Government may, by notification, appoint a Commissioner of Profession Tax to exercise the powers and perform the functions conferred on or entrusted to him by or under this Act.

(2) The Government may also appoint an assessing authority, appellate authority and such number of other officers as they deem fit for the purpose of exercising the powers and performing the functions respectively conferred on or entrusted to them by or under this Act.

Levy and charge of tax.

4. (1) There shall be levied and collected a tax on professions, trades, callings and employments for the benefit of the State.

(2) Every person engaged in any profession, trade, calling or employment in the State and falling under any one or other of the classes specified in column (2) of the First Schedule, shall be liable to pay a tax at the rate specified in the corresponding entry in column (3) thereof.

Employer's liability to deduct and pay tax on behalf of employees.

5. (1) The tax payable under this Act, by any person earning a salary or wage, 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 such employer shall, irrespective of whether such deduction has been made or not, when the salary or wage is paid to such persons, be liable to pay tax on behalf of all such persons:

Provided that, where the employer is an officer of the State Government or the Central Government, the manner in which such employer shall discharge the said liability shall be such as may be prescribed:

Provided further that, where any person earning a salary or wage—

(a) is also covered by one or more entries other than entry 1 in the First Schedule and the rate of tax under any such other entry is more than the rate of tax under entry 1 in that Schedule; or

(b) is simultaneously engaged in employment of more than one employer;

and such person furnishes to his employer or employers a certificate in the prescribed form declaring, inter-alia, that he shall get enrolled under sub-section (2) of section 6 and pay the tax himself; then the employer or employers of such person shall not deduct the tax from the salary or wage payable to such person and such employer or employers, as the case may be, shall not be liable to pay tax on behalf of such person.

⁶[5A. The tax payable under this Act by the licensed horse owners, trainers, book-markers and jockeys shall be collected by the turf clubs, and such clubs shall, irrespective of whether such collection has been made or not, be liable to pay tax on behalf of the above cases of persons licensed by it, and the tax so collected or due shall be received by the stewards of the club on behalf of the Government and remit the same in the Government Treasury as may be prescribed.]

Licensing Turf Club's liability to collect and pay tax on behalf of the licensed persons.

⁷[5B. The Chief Agents, Principal Agents, Special Agents and Insurance Agents, registered or licensed under the Insurance Act, 1938 and who are liable to tax under this Act at the rate specified in entry 2 of Schedule-I to this Act, the

6. Inserted with marginal heading by Act No.17 of 2003.

7. Inserted by G.O.Ms.No.169, Revenue (CT-II) Department, dated 18.09.2015.

tax payable by them under this Act shall be deducted by the insurer registered as per the provisions of Insurance Act, 1938 or under the provisions of Insurance Regulatory and Development Authority of India Act, 1999 or under the provision of any other law for time being in force, from the commission payable or due to be payable by the insurer to the Chief Agents, Principal Agents, Special Agents and Insurance Agents. The amount of tax deducted shall be remitted to the State Government on the next working day from the date of deduction in the manner as may be prescribed:

Provided that if the insurer does not remit the tax deducted to the State Government in the manner prescribed above, the insurer shall pay in addition to the amount of such tax, interest at the rate of two rupees for every one hundred rupees or part thereof for every month or part thereof from the day/date specified for its payments.]

**Registration and
enrolment.**

6. (1) Every assessee (not being an officer of the State Government or the Central Government) liable to pay tax under section 5 shall obtain a certificate of registration from the assessing authority in the prescribed manner.

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

(3) Every assessee required to obtain a certificate of registration or enrolment under this section shall,—

(a) within thirty days from the date of commencement of this Act; or

(b) if he was not engaged in any profession, trade, calling or employment on the date of such commencement, within thirty days of his becoming liable to pay tax;

apply for a certificate of registration or enrolment or a revised certificate of enrolment, as the case may be, to the assessing authority in the prescribed form and, the assessing authority shall after making such enquiry as may be necessary within thirty days of the receipt of the application (which period in the first year from the commencement of this Act, shall be extended to ninety days) if the application is in order, grant him such certificate of registration or enrolment.

⁸[(4) [xxx]]

(5) Where an assessee liable to registration or enrolment has wilfully failed to apply for such certificate within the time specified in sub-section (3), the assessing authority may, after giving him a reasonable opportunity of being heard, impose a penalty which shall not be less than rupees ten but which shall not exceed rupees twenty for each day of delay in case of an employer and not exceeding rupees five for each day of delay in case of others.

(6) Where an assessee liable to registration or enrolment has deliberately given false information in any application submitted under this section, the assessing authority may, after giving him a reasonable opportunity of being heard, impose a penalty which shall not be less than rupees one hundred but which shall not exceed rupees one thousand.

7. (1) Every assessee registered under this Act, shall **Returns.** submit to the assessing authority a return in such form, for

8. Omitted by Act No.14 of 2012.

such period or periods and by such dates as may be prescribed showing therein the salaries and wages paid by him and the amount of tax deducted by him in respect thereof.

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

(3) Where an assessee has without reasonable cause failed to submit such return within the specified period, the assessing authority may, after giving him a reasonable opportunity of making representation impose upon him a penalty which shall not be less than rupees five but which shall not exceed rupees one hundred for each day of delay.

Assessment of an assessee.

8. (1) If the assessing authority is satisfied that the return submitted by an assessee is correct and complete, it may accept the return. If the return appears to it to be incorrect or incomplete it shall, after giving the assessee a reasonable opportunity of proving the correctness or completeness of the return submitted by him and making such enquiry as it deemed necessary, assess to the best of its judgment, the amount of tax due from the assessee.

(2) The amount of tax due from any assessee shall be assessed separately for each year within a period of four years from the expiry of the year to which the assessment relates.

(3) If any assessee has failed to get himself registered or having been registered, has failed to submit any return, the assessing authority shall, after giving the assessee a reasonable opportunity of making representation and after

making such inquiry as he deems necessary pass an order assessing the amount of tax due, to the best of its judgment.

(4) The amount of tax so assessed shall be paid within fifteen days of receipt of the notice of demand from the assessing authority.

(5) In making an assessment under sub-section (1), the assessing authority if it is satisfied that the escaped assessment was due to wilful non-disclosure of information or attempt to evade the tax by the assessee, the assessing authority may also direct to pay in addition to the tax assessed, a penalty which shall not be less than one and half times the tax so assessed but which shall not exceed three times the tax so assessed:

Provided that no penalty under this sub-section shall be imposed unless the assessee affected has had a reasonable opportunity of showing cause against the imposition of such penalty.

9. If for any reason any tax payable under this Act, has escaped assessment or has been under assessed or assessed at a lower rate than the rate at which it is assessable, the assessing authority may at any time within four years from the expiry of the year to which the tax relates, proceed to assess or reassess the tax, as the case may be, to the best of its judgment after issuing a notice to the assessee concerned and after making such enquiry as it considers necessary:

**Assessment of
escaped or under
assessed tax.**

Provided that the tax shall be charged at the rate at which it would have been charged if such tax had not escaped assessment or, as the case may be, had not been under assessed or assessed at a rate lower than the rate at which it was assessable.

Payment of tax by certain assesseees. 10. The amount of tax due from the assesseees for each year as specified in their enrolment certificate shall be paid,—

(a) before 30th June, in respect of an assessee who stands enrolled before the commencement of a year or is enrolled on or before the 31st May of a year; and

(b) within one month of the date of enrolment in respect of an assessee who is enrolled after the 31st May of a year; in the prescribed manner.

⁹[(c) Notwithstanding anything contained in clauses (a) and (b), the amendment made to the First Schedule except serial No.1 relating to salary and wage earners in the First Schedule, shall be deemed to have come into force from 1st April, 1996 and the tax paid by any assessee for the year 1996-97 as per the pre-amended Schedule shall be deducted from the amount due from the assessee as per the rates under the amended Schedule and the balance amount shall be paid on or before 30th September, 1996.]

¹⁰[(d) in the case of licenced horse owners, trainers, jockeys, book-makers shall be paid within a week of the commencement of the racing at the turf-clubs in the prescribed manner.]

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) 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

9. Inserted by Act No.29 of 1996.

10. Inserted by Act No.17 of 2003.

(b) be liable to pay such interest as may be prescribed 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 laid down in sub-section (1).

12. If any 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 twenty-five per cent but not exceeding fifty percent of the amount of tax due. This penalty shall be in addition to the interest payable under sub-section (1) or sub-section (2) of section 11.

Penalty for non-payment of tax.

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

Recovery of tax, etc.

14. (1) The Government may, for carrying out the purposes of this Act, appoint any Government Department officer, or local authority as its agent (hereinafter called “the collecting agent”) who shall be responsible for the collection of the tax under this Act, from such assesseees or class of assesseees as may be prescribed and thereupon it shall be the duty of such collecting agent to carryout the functions under this Act, in such manner as maybe prescribed and to render full and complete account of the tax collected, to the Commissioner in such manner and at such time as may be prescribed.

Appointment of collecting agents.

(2) The collecting agent and every Officer authorised by it in this behalf shall, for the purposes of collection of the tax,

have all the powers of the assessing authority and also any other powers that maybe prescribed.

(3) A local authority appointed as a collecting agent under sub-section (1), shall be paid such collection charges as may be determined by the Government.

(4) It shall be lawful for the Commissioner or any Officer duly authorised by him, to have access to and to require production and examination of books, registers, accounts or documents maintained or required to be maintained by the collecting agent for the purposes of this Act and the, collecting agent shall, whenever called upon so to do produce, such books, registers, accounts or documents for inspection.

Appeals.

15. (1) Any assessee ¹¹[xxx] aggrieved by any order passed by ¹²[any assessing authority] under the provisions of this Act, ¹³[xxx] may within thirty days from the date on which the order was served on him, appeal to the appellate authority:

Provided that the appellate authority may for sufficient cause shown admit an appeal preferred after the expiry of the period of thirty days aforesaid.

¹⁴[(2) No appeal shall be entertained, unless 12.5% of the amount of disputed tax or penalty or interest besides the admitted tax, in full is paid.

(3) The appeal shall be in such form and verified in such manner as may be prescribed.]

11. Omitted by Act No.14 of 2012.

12. Substituted for the words "any authority" by Act No.14 of 2012.

13. Omitted by Act No.16 of 2008.

14. Sub-section (2) and (3) substituted by Act No.16 of 2008.

(4) The appellate authority may after giving the appellant an opportunity of being heard and subject to such rules of procedure as may be prescribed:-

(a) confirm, reduce, enhance, or annul or otherwise modify the assessment, penalty or interest as the case may be;

(b) set aside the assessment, penalty or interest as the case may be and direct the assessing authority to pass a fresh order after such further inquiry as may be directed; or

(c) pass such other orders as it may think fit.

(5) Before passing orders under sub-section (4), the appellate authority may make such inquiry as it deems fit or remand the case to any subordinate officer or authority for an inquiry and report on any specified point or points.

(6) Every order passed in appeal under this section shall, subject to the provisions of section 16, be final.

16. ¹⁵[(1) The Commissioner may, call for and examine the record of the proceedings of any order made by the assessing authority, or, the appellate authority for the purpose of satisfying himself as to the legality or propriety of such order and pass such order not prejudicial to the interests of revenue.] **Revision.**

¹⁶[(2) [xxx]]

15. Substituted by Act No.16 of 2008.

16. Sub-section (2) omitted by Act No.16 of 2008.

(3) The powers of revision shall be exercised within such period not exceeding four years from the date on which the order was served on the assessee.

(4) No order which adversely affects any assessee shall be passed under this section, unless such assessee has been given a reasonable opportunity of being heard.

¹⁷[(5) [xxx]]

Accounts.

17. (1) If the assessing authority is satisfied that the books of account and other documents maintained by an assessee in the normal course of his business are not adequate for verification of the returns submitted by the employer under this Act, it shall be lawful for the assessing authority to direct the employer to maintain the books of account or other documents in such manner as he may in writing direct, and thereupon the assessee shall maintain such books or other documents accordingly.

(2) Where an assessee 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 five for each day of delay.

Special mode.

18. (1) Notwithstanding anything contained in any law or contract to the contrary, ¹⁸[the Commissioner or the Deputy Commissioner (CT) or the Commercial Tax Officer or the Deputy Commercial Tax Officer or the Profession Tax Officer may,] by notice in writing a copy of which shall be forwarded to the assessee at his last address known to the assessing authority, require,-

17. Sub-section (5) omitted by Act No.16 of 2008.

18. Substituted by Act No.3 of 2003.

(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 the assessing authority, either forthwith upon the money becoming due or being held or at or 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 due by the assessee in respect of the arrears of tax, penalty or interest under this Act, or the whole of the money when it is equal to or less than that amount.

Explanation:—For the purpose of this section, the amount of money due to an assessee from, or money held for or on account of an assessee by any person shall be calculated after deducting therefrom such claims if any lawfully subsisting, as may have fallen due for payment by such assessee to such person.

(2) ¹⁹[The Commissioner or the Deputy Commissioner (CT) or the Commercial Tax Officer or the Deputy Commercial Tax Officer or the Profession Tax Officer may] amend or revoke any such notice, or extend the time for making any payment in pursuance of the notice.

(3) Any person making any payment in compliance with a notice under this section shall be deemed to have made the payment under the authority of the assessee and the receipt of the assessing authority shall constitute a good and sufficient discharge of the liability of such a person, to the extent of the amount referred to in the receipt.

19. Substituted by Act No.3 of 2003.

(4) Any person discharging any liability to the assessee after receipt of the notice referred to in this section, shall be personally liable to the assessing authority to the extent of the, liability discharged, or the extent or the liability of the assessee for the amount due under this Act, whichever is less.

(5) Where any person to whom a notice under this section is sent proves to the satisfaction of the assessing authority that the sum demanded or any part thereof is not due by him to the assessee or that he does not hold any money for or on account of the assessee then nothing contained in this section shall be deemed to require, such person to pay any such sum or part thereof, as the case may be, to the assessing authority.

(6) Any amount of money which a person is required to pay to the assessing authority or for which he is personally liable to the assessing authority under this section, shall if it remains unpaid, be recoverable, as an arrear of land revenue.

Special powers of Deputy Commissioner under the Revenue Recovery Act.

²⁰[18A. (1) A Deputy Commissioner shall have the powers of a Collector under the ²¹[Telangana Revenue Recovery Act, 1864] for the purpose of recovery of any amount due under this Act.

(2) Subject to the provisions of sub-section (3), all Deputy Commercial Tax Officers shall, for the purposes of recovery of any amount due under this Act, have the powers of the Mandal Revenue Officer under the ²²[Telangana Rent and Revenue Sales Act, 1839] for the sale of property distrained for any amount due under this Act.

Act VII of 1839.

20. Inserted with marginal heading by Act No.3 of 2003.

21. Adapted by G.O.Ms.No.45, Law (F) Department, dated 01.06.2016.

22 Adapted by G.O.Ms.No.46, Law (F) Department, dated 01.06.2016.

(3) Notwithstanding anything contained in the ²³[Telangana Rent and Revenue Sales Act, 1839], the Deputy Commercial Tax Officer in exercise of the powers conferred by sub-section (2) shall be subject to the control and superintendence of the Deputy Commissioner.]

19. Where the ownership of the profession, trade, calling, or employment of an assessee liable to pay tax is transferred, any tax, penalty or interest or other amount payable under this Act, in respect of such business and remaining unpaid at the time of the transfer, may without prejudice to any action that may be taken for its recovery from the transferor, be recoverable from the transferee as if he were the assessee liable to pay such tax, penalty or interest or other amount.

Recovery of tax where trade, calling etc., of employee is transferred.

20. Any officer or authority under this Act, may inspect and search any premises, where any profession, trade, calling or employment liable to tax under this Act is carried on or is suspected to be carried on and may require production and examination of books, registers, accounts or documents relating thereto and may seize such books, registers, accounts or documents as may be necessary:

Production and inspection of accounts and documents and search of premises.

Provided that, if the said officer or authority removes from the said premises any book, register, account or document, he or it shall give to the person incharge of the place, a receipt describing the book, register, account or document so removed and retain the same only for so long as may be necessary for the purpose of examination thereof or for the prosecution.

21. The assessing authority shall refund to the assessee the amount of tax, penalty, interest or other amount, if any, paid by such assessee in excess of the amount due from him.

Refund of excess.

23. Adapted by G.O.Ms.No.46, Law(F) Department, dated 01.06.2016.

The refund may be made either by cash or, at the option of the assessee by deduction of such excess from the amount of tax, penalty interest or other amount 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 section 8 has been served, and shall then refund the balance, if any.

Offences and penalties.

22. Any assessee who, without sufficient cause, fails to comply with any of the provisions of this Act or the rules made thereunder shall, on conviction, be punished with fine which shall not be less than five hundred rupees but shall not exceed five thousand rupees, and, when the offence is a continuing one, with fine which shall not be less than ten rupees but shall not exceed fifty rupees 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 the offence was committed was in charge of and was responsible to the company for the conduct of the business of the company as well as the company shall be deemed to be guilty of the offence and shall, be liable to be proceeded against and punished accordingly:

Provided that, nothing contained in this sub-section shall render any such person liable to any punishment, 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 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 shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section:—

(a) “company” means any body corporate and includes a firm or other association of individuals; and

(b) “director” in relation to a firm means a partner in the firm.

24. The Commissioner may, after giving the parties a reasonable opportunity of being heard, wherever it is possible so to do, and after recording his reason for doing so, by order in writing transfer any proceedings or class of proceedings under any provision of this Act, from himself to any other officer, and he may likewise transfer any such proceedings (including a proceeding pending with any officer or already transferred under this section) from any officer to any other officer or to himself: **Power to transfer proceedings.**

Provided that, nothing in this section shall be deemed to require any such opportunity to be given where the transfer is from any officer and the offices of both are situated in the same city, locality or place.

Explanation.—In this section, the word “proceedings” in relation to any assessee concerned is specified in any order issued thereunder means all proceedings under this Act, in respect of any year, which may be pending on the date of such order or which may have been completed on or before such date, and includes also all proceedings under this Act, which may be commenced after the date of such order in respect of any year in relation to such assessee.

Compounding of offences.

25. (1) The assessing authority may, either, before or after the institution of proceedings for an offence under this Act, permit any assessee, charged with the offence to compound the offence on payment of such sum, not exceeding five thousand rupees or double the amount of tax recoverable, whichever is greater.

(2) On payment of such sum as may be determined by the assessing authority under sub-section (1), no further proceedings shall be taken against the person in respect of the same offence.

(3) Any order passed or proceeding recorded by the assessing authority under sub-section (1), shall be final and no appeal or application for revision shall lie therefrom.

Power to enforce attendance, etc.

Central Act V of 1908.

26. The Commissioner, and other authorities under this Act, shall have the same powers as are vested in a court under the Code of Civil Procedure, 1908 while trying a suit, for the purpose of enforcing the attendance of and examining any person on oath or affirmation or for compelling the production of any document.

Bar of jurisdiction of courts.

27. No court shall entertain any suit, or other proceeding to set aside or modify, or question the validity of any assessment, order or decision made or passed by any officer or authority under this Act or the rules made thereunder or in respect of any other matter falling within its or his scope.

Protection of acts done in good faith.

28. No suit, prosecution, or other proceedings shall lie against the Government or any officer, authority or person empowered to exercise the powers and perform the functions by or under this Act, for anything which is in good faith done or intended to be done under this Act or the rules or orders made thereunder.

29. The Commissioner may, subject to such conditions and restrictions as the Government may by general or special order impose, by order in writing delegate to any officer or authority subordinate to him, either generally or as respects any particular matter or class of matters any of his powers under this Act.

Power to delegate.

30. (1) The Government may, by notification, make rules to carry out all or any of the purposes of this Act.

Power to make rules.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for the fees payable in respect of any applications to be made, forms to be supplied, certificates to be granted and appeals and applications for revision to be made under this Act and also any applications for certified copies of documents filed and orders made under this Act.

(3) Every rule made under this Act shall immediately after it is made, be laid before the Legislature 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 Legislature 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 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.

Clarification and Advance Rulings.

²⁴[30-A. (1) (i) The Commissioner may constitute a State Level Authority for Clarification and Advance Rulings comprising 3 officers not below the rank of Joint Commissioner to clarify, in the manner prescribed any aspect of the implementation of the Act.

(ii) The State Level Authority for Clarification and Advance Rulings constituted under section 67 of the ²⁵Telangana Value Added Tax Act, 2005 shall also function as State Level Authority for issue of Clarification and Advance Rulings on issues raised under this Act.

(2) No application shall be entertained where the question raised in the application,-

(i) is already pending before any officer or authority of the Department or any Court;

(ii) relates to a transaction or issue which is designed apparently for the avoidance of tax:

Provided that no application shall be rejected under this sub-section unless an opportunity has been given to the applicant of being heard and where the application is rejected, reasons for such rejections shall be recorded in the order.

(3) No officer or any other authority of the Department shall proceed to decide any issue in respect of which an application has been made by an applicant under this section and is pending.

(4) The order of the authority shall be binding:-

24. Inserted with marginal heading by Act No.13 of 2016.

25. Substituted by G.O.Ms.No.32, Revenue (CT.II) Department, dated 15.10.2014.

- (i) on the applicant who had sought clarification;
- (ii) in respect of the transaction in relation to which a clarification was sought; and
- (iii) on all the officers other than the Commissioner:

Provided the applicant does not file an appeal before the Telangana Value Added Tax Appellate Tribunal within 30 days of the Ruling in the manner prescribed.

(5) (i) The authority for clarifications shall have power to review, amend or revoke its rulings at any time for good and sufficient cause by giving an opportunity to the affected parties.

(ii) An order giving effect to such review or amendment or revocation shall not be subject to the period of limitation.

(6) The Commissioner may also prefer any matter for opinion of the Authority for clarification without prejudice to his authority.]

31. The Government may, by notification, make an exemption or reduction in the rate of tax payable under this Act by any specified class of assesses subject to such restrictions and conditions as may be specified in the notification. **Power to exempt.**

32. 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 any tax on professions, trades, callings or employments. **Local authorities not to levy profession tax.**

Amendment of certain enactments.

33. (1) The enactments specified in column (2) of the Second Schedule are hereby amended in the manner and to the extent specified in the corresponding entry in column (3) thereof:

Provided that, nothing in the said amendment shall affect or be deemed to affect,—

(i) any right, obligation or liability already acquired, accrued or incurred or anything done or suffered, in respect of any period preceding the date of coming into force of these amendments;

(ii) any legal proceedings or remedy whether initiated or availed of before or after the date of coming into force of these amendments, in respect of any such right, obligation or liability.

(2) The levy, assessment or recovery of any tax or the imposition or, recovery of any penalty in respect of such period, under the provisions of the relevant enactments and all proceedings under them in respect of all matters aforesaid shall be initiated and disposed of, or continued and disposed of, as the case may be, as if this Act had not been enacted.

Cesses not be levied in certain cases.

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

Grant to local authorities for loss of revenue.

35. Out of the proceeds of the tax, penalties, interest or other amounts recovered under this Act, there shall be paid annually to such local authorities except Municipalities and Municipal Corporations whose employees are getting

salaries and pensions through Government treasuries as were levying a tax on professions, trades, callings and employments, immediately before the commencement of this Act, such amounts on the basis of the highest collections of such taxes, penalties and interest made by them in any year during the period of three years immediately preceding such commencement as may be determined by the Government in this behalf.

36. If any difficulty arises in giving effect to the provisions of this Act, the Government may by notification, make such provisions, not inconsistent with this Act, as appears to them to be necessary or expedient for removing the difficulty.

Power to remove difficulties.

37. (1) The Government may, by notification, alter, add to or cancel any item or entry in the First Schedule.

Power to amend First Schedule.

(2) Where a notification has been issued under sub-section (1), there shall, unless the notification is in the meantime rescinded, be introduced in the Legislature as soon as may be, but in any case during the next session of the Legislature following the date of the issue of the notification, a Bill on behalf of the Government, to give effect to the alteration, addition or cancellation, as the case may be, of the said Schedule specified in the notification and the notification shall cease to have effect when such Bill becomes law, whether with or without modifications, but without prejudice to the validity of anything previously done thereunder:

Provided that if the notification under sub-section (1) is issued when the Legislature is in session, such Bill shall be introduced in the Legislature during that session:

Provided further that where for any reason a Bill as aforesaid does not become law within six months from the date of its introduction in the Legislature the notification shall

cease to have effect on the expiration of the said period of six months.

(3) All references made in this Act, to any items or entries of the said Schedule shall be construed as relating to the item of the Schedule as for the time being amended in exercise of the power conferred by this section.

²⁶**[First Schedule
(See Section 4)]**

Sl. No.	Class of assesses	Rate of Tax Per Month/ Per Annum Rs.
(1)	(2)	(3)
1.	Salary and wage earners whose monthly salaries or wages in Rs. (i) Up to 15,000 (ii) From 15,001 to 20,000 (iii) Above 20,000	 Nil 150 PM 200 PM
2.	Legal practioners, Solicitors, Notaries, Tax Consultants, Chartered Accountants, Technical and Professional Consultants, Engineers, RCC Consultants, Architects, Management Consultants, Estate Agents, Chief Agents, Principal Agents, Special Agents, Insurance Agents, Surveyors or Loss Assessors registered or licensed under the Insurance Act, 1938 (Central Act IV of 1938), Pigmy Agents, UTI Agents, Authorized Assistants and Sub-Brokers recognised by SEBI, Commission Agents, Dalals, Brokers, Auctioneers, Medical Practitioners, Journalists, Medical Consultants (other than that Practitioners of Ayurvedic, Homeopathic and Unani systems of Medicines), Dentists, Radiologists, Pathologists and persons engaged in other similar professions or callings of a Paramedical nature, whose standing in the profession is:	Nil

26. First Schedule substituted by Act No.12 of 2013.

(1)	(2)	(3)
	(i) Up to 5 years	Nil
	(ii) More than 5 years	2500 PA
3.	Members of stock-Exchange recognized under Security Contracts (Regulation) Act, 1956.	2500 PA
4.	Contractors scoring annual turnover as under:	
	(a) Below Rs.10 lakhs	Nil
	(b) From Rs.10 lakhs to Rs. 50 lakhs	1250 PA
	(c) Above 50 lakhs	2500 PA
5.	Directors (other than those nominated by the Government) drawing remuneration from the company or companies registered under ²⁷ the Companies Act, 1956.	2500 PA
6.	(i) Race horse owners, Trainers and Book Makers licensed by the Turf clubs of Hyderabad Race Club or any other Race club.	2500 PA
	(ii) Jockeys licensed by the Turf clubs.	1250 PA
7.	Persons employed in the motion picture industry namely:-	
	(i) Film Producers, Film Distributors, Film Directors, Cinematograph Film Processors, Directors of Photography, Music Directors, Choreographers, Lyricists, Actors and Actresses, Story writers, Play-back singers, Recordists, Editors, owners or lessees of outdoor film units.	2500 PA

27. See now the Companies Act, 2013.

(1)	(2)	(3)
	(ii) Assistant Music Directors, Assistant Directors of Photography, Cameraman, Still Photographers, Junior Artists, Production Managers, Assistant Directors, Assistant Cameraman, Assistant Recordists, Assistant Editors, Musicians and Dancers.	1250 PA
8.	²⁸ Telangana VAT registered Dealers or Dealers liable to be registered under ²⁹ Telangana VAT Act, 2005 including FP shop dealers, shopkeepers (Employers) of establishment as defined under ³⁰ Telangana Shops and Establishments Act, 1988, whose annual business turnover is:-	
	(i) Below Rs.10 Lakhs	Nil
	(ii) From Rs.10 Lakhs to 50 Lakhs	1250 PA
	(iii) Above Rs. 50 Lakhs	2500 PA
9.	Owners or Lessees of factories as defined under the Factories Act, 1948 with annual turnover as follows:	
	(i) Below Rs. 10 Lakhs	Nil
	(ii) From Rs. 10 Lakhs to Rs.50 lakhs	1250 PA
	(iii) Above Rs.50 Lakhs	2500 PA
10.	Owners or Lessees of Petrol/Diesel/Gas filling stations and Service stations, Garage and Workshops of automobiles.	2500 PA

28. Substituted by G.O.Ms.No.169, Revenue (CT.II) Department, dated 18.09.2015.

29. Adapted by G.O.Ms.No.32, Revenue (CT.II) Department, dated 15.10.2014.

30. Adapted by G.O.Ms.No.5, LET&F (Labour) Department, dated 01.02.2016.

(1)	(2)	(3)
11.	Owners or Lessees of Nursing Homes or Hospitals other than those run by the State, Local Bodies or Central Government.	2500 PA
12.	Owners or Lessees of Pathological Testing labs, X Ray Clinics and Medical Diagnostic Centers.	2500 PA
13.	Owners or Lessees of Beauty parlours/saloons and Interior Decorators.	2500 PA
14.	Owners or Lessees of Hotels, Restaurants, Bars or Lodging Houses having annual turnovers as follows,-	
	(i) Below 10 Lakhs	Nil
	(ii) From Rs.10 Lakhs to 50 Lakhs	1250 PA
	(iii) Above Rs.50 Lakhs	2500 PA
15.	Owners or Lessees or operators of Convention Centres, Cinema theatres, Amusement Parks, Clubs, Resorts, Video Parlours, Master Cable TV, Cable TV, DTH, Video games and Computer Games.	2500 PA
16.	(i) Holders of permits of less than Three (3) transport vehicles (other than auto rikshaws) granted under the Motor Vehicles Act, 1988.	Nil
	(ii) Holders of permits of Three(3) or more transport vehicles (other than auto rickshaws) granted under the Motor Vehicles Act, 1988.	2500 PA

(1)	(2)	(3)
17.	Money lenders, licenced under the law relating to money lenders, Micro Finance institutions (MFIs) and Individuals or institutions conducting/running Chit Funds.	2500 PA
18.	Co-operative Societies registered under the ³¹ Telangana Co-operative Societies Act, 1964 and engaged in any profession, trade or calling:	
	(i) Village and Mandal level societies	Nil
	(ii) District Level Societies	1250 PA
	(iii) State Level Societies	2500 PA
19.	Banking Companies as defined in the Banking Regulations Act, 1949 including its each branch / ATM / extension counter in addition to the area Office / Zonal Office / Head Office.	2500 PA

Explanation: for the purpose of this entry “Banking companies” shall mean and include any bank, which came into existence after the year 1949 through separate Act but whose operations are governed by the provisions of the Banking Regulation Act, 1949 (Central Act 10 of 1949) irrespective of how the bank (s) came into existence.

31. Adapted by G.O.Ms.No.53, Agriculture and Co-operation (Coop.II) Department, dated 20.05.2016.

(1)	(2)	(3)
20.	All Companies registered under the ³² Companies Act, 1956, not being a dealer under ³³ Telangana VAT Act, 2005 and engaged in a profession, trade or calling with turnover of Rs.10.00 lakhs and above.	2500 PA
21.	Each partner of a firm drawing remuneration from the firm engaged in any profession, trade or calling.	1250 PA
22.	Travel Agencies.	2500 PA
23.	Advertising Firms/Agencies.	2500 PA
24.	Persons using Photocopying machines for job works:	
	(i) Less than 3 photocopying machines.	Nil
	(ii) Three or more number of Photocopying machines.	1250 PA
25.	Video Cassette, DVD, CD Libraries.	1250 PA
26.	Each branch and Head office of Educational Institutions and Tutorial Colleges or such other Institutes other than those owned by the State, Local Bodies or Central Government.	2500 PA

32. See now the Companies Act, 2013.

33. Adapted by G.O.Ms.No.32, Revenue (CT.II) Department, dated 15.10.2014.

(1)	(2)	(3)
27.	Institute such as Motor Driving Institutes, Technical Training Institutes, Computer Institute selling time, Computer Training Institute, Typewriting and Shorthand Training Institutes by whatever name they are called other than those owned by State or Central Government.	2500 PA
28.	Property Developers including Land Developers and Building/Flat Developers.	2500 PA
29.	Owners or Lessees of Marriage Halls / kalyana Mandapams / Auditorium / Convention Halls.	2500 PA
30.	Transport Companies and Transport Contractors including Forwarding and Clearing agents.	2500 PA
31.	Weigh Bridge Operators.	1250 PA
32.	Couriers Service Operators.	2500 PA
33.	Broadcasting and Telecasting Service Providers other than Central Government or State Government agencies.	2500 PA
34.	Mobile phone or fixed line phone service providers, Internet Services providers, Leasing lines Service Providers, VSAT Service Providers and Wireless Service Providers.	2500 PA
35.	Owners of Call Centres and BPO/KPO Centres.	2500 PA

(1)	(2)	(3)
36.	ISD, STD, and PCO Operators, other than Government or physically challenged persons, with:	
	(i) One Telephone line.	Nil
	(ii) More than one Telephone line.	1250 PA
37.	Cyber Cafes.	2500 PA
38.	Owners or lessees of premises, rented or leased out for commercial or industrial purposes, other than those owned by State, Local Bodies or Central Government Agencies.	2500 PA
39.	1. Agriculturist. 2. Persons engaged in performing religious duties 3. skilled persons that is to say Gold Smith, Black Smith, Pot Makers, Basket Makers, Washerman, Barber, Cobbler, Tailors, Carpenters, Masons, Plumbers, Book Binder, Toddy Tappers and Electricians. 4. Physically Handicapped persons with 40% or more disability of any kind. 5. Dry Cleaners.	Exempted
40.	Persons, other than those mentioned in any of the preceding entries, who are engaged in any profession, trade or calling or employment with annual income of more than Rs.1,80,000/- but excluding those who are exempted under Section 31 of the Act and entry No.39 above.	2500 PA

SECOND SCHEDULE

Sl. No.	Short title, number of enactments.	Amendments
(1)	(2)	(3)
1.	³⁴ The Greater Hyderabad Municipal Corporation Act, 1955 (Act No.II of 1956)	<p>(a) In section 197, in sub-section (1) in clause (i), sub-clause (e) shall be omitted.</p> <p>(b) section 257 shall be omitted:</p> <p>(c) In section 277, in Sub-section (1) the words “or profession tax” shall be omitted;</p> <p>(d) In section 278, words “or profession tax” shall be omitted;</p> <p>(e) Schedule I shall be omitted.</p>
2.	The ³⁵ [Andhra Pradesh Gram Panchayats Act, 1964 (Act No.2 of 1964.)]	<p>(a) In Section , 69 in sub-section (1), clause (b) shall be omitted;</p> <p>(b) Section 72 shall be omitted;</p> <p>(c) In Section 79, in sub-section (2), in clause (i), the words “the profession tax” shall be omitted;</p>

34. Short title changed by Act No.13 of 2008.

35. Repealed by Act No.13 of 1994 (see now the Telangana Panchayat Raj Act, 1994).

(1)	(2)	(3)
		(d) In Schedule II,-
		(i) the words “C-Profession tax levy of Maximum and Minimum rates” and rule 14 to 21 shall be omitted;
		(ii) In rule 27, for clause (b), following clause shall be substituted namely:-
		“(b) the imposition by the executive authority of tax on, any vehicle; and;
		(iii) in rule 33,-
		(a) in sub-rule (2), the expression “rule 19 or” and the word “Occupation” shall be omitted;
		(b) in sub-rule (3), the expression “rule 19 or” shall be omitted;
		(iv) in rule 34, the expression “rule 19 or” shall be omitted;
		(e) appendix ‘A’ shall be omitted.

(1)	(2)	(3)
3.	The ³⁶ Telangana Municipalities Act, 1965 (Act No. 6 of 1965)	<p>(a) In section 81, in sub-section (1), in clause (a), sub-clause (ii) shall be omitted;</p> <p>(b) The heading “(ii) Profession Tax and section 96 to 102” shall be omitted;</p> <p>(c) In section 326, in sub-section (2), in clause (m), the words “profession tax” shall be omitted.</p> <p>(d) In Schedule II,-</p> <p>(i) the heading “Assessment of Profession tax” and rule 17 to 20 shall be omitted;</p> <p>(ii) in rule 22, in sub-rule (1), clause (c) shall be omitted;</p> <p>(iii) In rule 25, in clause (a), in sub-clause (i) for the expression in sections 99 and 109, the expression “in section 109” shall be continued;</p> <p>(iv) In rule 29, the expression “section 99 or” in the two places where it occurs shall be omitted;</p>

36. Adapted by G.O.Ms.No.142, MA&UD (F2) Department, dated 29.10.2015.

(v) In rule 30, in sub-rule (1), for expression “in sections 99 and 109” the expression “in section 109” shall be substituted.

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