

GOVERNMENT OF TAMIL NADU

FINANCE (SALARIES) DEPARTMENT
FORT ST. GEORGE,
MADRAS -9.

Letter No. 155043/S.II/89-30, dated 22nd March, 1994

From

Int. S. Malathi, I.A.S.,
Special Secretary to Government.

To

All Departments of Secretariat (including I.A. Secretariat)
All Heads of Departments.
The Accountant General (Audit-I), Madras-35.
The Accountant General (Audit-II), Madras-6.
The Accountant General (Accounts), Madras-18.
The Accountant General (CAB), Madras-9.
The Director of Treasuries and Accounts, Madras-35.
The Pay and Accounts Officer (North), Madras-79.
The Pay and Accounts Officer (South), Madras-35.
The Pay and Accounts Officer (East), Madras-5.
The Pay and Accounts Officer, Secretariat, Madras-9.
The Pay and Accounts Officer, Madurai.
The Registrar, High Court, Madras-1.
The Secretary, Tamil Nadu Public Service Commission, Madras-2.
The Director of Stationery and Printing, Madras-1 -- for
publication in the Tamil Nadu Government Gazette. (2 copies)
All Stateowned Corporations/Boards.

Sir,

Sub: Tamil Nadu Entertainments Tax Act 1939 - Upgradation
of posts of Commercial Tax Officers - Amendment to
Tamil Nadu Financial Code, Volume-I - Regarding.

- Ref: 1. G.O. Ms. No.750, Commercial Taxes and Religious
Endowments Department, dated 29.6.1982.
2. Special Commissioner and Commissioner of Commercial
Taxes, Madras, letter No.65066/93, Drafting Cell,
dated 11.10.1993.
3. From Accountant General (A&E), Tamil Nadu, Madras-18,
letter No. DCM/II/12-12/TNFC. Vol.I/93-94/171, dated
2.3.1994. ---

The following amendment is issued to Tamil Nadu Financial Code,
Volume-I (corrected upto 31st July 1991).

AMENDMENT No.2/94.

Article 310A Upto 30.6.1989.

Pages 433+434.

The following may be substituted in lieu of Article 310-A,
after Article 310 in Tamil Nadu Financial Code, Volume-1 (correc-
-ted upto 31st July 1991):-

Assignment from proceeds of Entertainments Tax to different kinds of Local Authorities under Section 13 of the Tamil Nadu Entertainments Tax Act, 1939 (Tamil Nadu Act X of 1939) will be made, as under:

Assignment of Entertainment Tax on Cinematographic Exhibitions.

Nature of the Local Bodies.	Section Under which collection has been made.	Percentage of collection in Col.(3) to be assigned to the local bodies.
1. Municipal Corporation of Madras Madurai and Coimbatore or any other Municipal Corporation that may be constituted under any law for the time being in force and Special Grade Municipalities and cantonments.	Section 4 of the Tamil Nadu Entertainments Tax Act.	90%
2. Selection Grade Municipalities and First Grade Municipalities	Section 5-A and Section 5-B.	65%
3. Second Grade and Third Grade Municipalities.	-do-	60%
4. Panchayat Towns and Municipal Townships.	-do-	65%
5. Panchayat Areas.	-do-	Panchayat Union Councils - 30% Panchayats 30%

as
And proceeds of Entertainments Tax on cinema shows will be shown below:

Any of the local bodies	Section-4	90%
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Assignment of proceeds of surcharges collected under the Tamil Nadu Local Authorities Finance Act, 1961 (Act 52 of 1961)

Under Section 3 of the above Act, the Local Authorities levy taxes as Surcharge on Entertainment Tax levied under Section 4 of the Tamil Nadu Entertainments Tax Act 1939 and on Show Tax on Cinematograph Exhibitions levied under Section 4-A of the Tamil Nadu Entertainments Tax Act, 1939. Under Section 4 of the Tamil Nadu Local Authorities Finance Act 1961 such taxes levied as Surcharge by the Local Authorities shall be assessed and collected by the Government and the proceeds, of any tax so collected shall be paid to the Local Authorities concerned after deducting towards the expenses incurred by the Government such percentage of the proceeds as the Government fix. These collections will be assigned to the Local Authorities concerned as per the table given below:

...3...

Nature of Local Authority	Nature of Entertainment.	Percentage of proceeds of surcharge to be assigned to
1.	2.	3.
1. Municipal Corporations of Madras, Madurai and Coimbatore or any other Municipal Corporation that may be constituted under any law for the time being in force and Special Grade Municipalities.	Cinematograph exhibition and horse races.	100%
2. Any other local bodies	Horse races	100% of the Surcharge on Entertainment Tax.

The Assistant Commissioners (CT) of the CT Districts concerned to the authorities empowered to sanction payment of the proceeds to the Local Authorities in their respective jurisdictions.

Assignment of proceeds to the Local Authorities should be made once in a quarter. For this purpose, the Entertainment Tax Officers should submit to the respective Assistant Commissioners (CT) in the first week of January, April, July and October every year, a statement showing the amount of collection of taxes made under Sections 4, 5-A and 5-B of the Tamil Nadu Entertainment Tax Act, 1939 and Surcharges under Section 3 of the Tamil Nadu Local Authorities Finance Act, 1961 realised in the previous quarter after deducting refund, if any, allowed in the quarter with details as to the names of the local authorities and the amount collected in their respective areas. The statement should contain a certificate of the Entertainment Tax Officer to the effect that the departmental and the Treasury figures have been verified and found correct. The Assistant Commissioner (CT) should after satisfying himself about the verification, sanction the payments as indicated in the above tables. He should pass orders of sanction before 25th January, April, July and October every year. Copies of the orders should be sent to the Treasury Officer, Sub-Treasury Officer, Accountant General, the Deputy Commissioner concerned, the Commissioner of Commercial Taxes and the Entertainment Tax Officers. Copies of the orders should also be sent to the Local Authorities concerned, to the executive officers of Town Panchayats through the Divisional Panchayat Officers and the Panchayat Union Commissioners in the case of Village Panchayats.

In respect of assignments in Madras City, copies of the sanction orders should be sent to the Pay and Accounts Officer also.

The local bodies should prefer their claims before the due dates or within three months from the due dates. If arrear claims of local bodies for payment of amount due to them are preferred after three months the Assistant Commissioner (CT) may revalidate the arrear claims upto a limit of three years. The Commissioner of Commercial Taxes may revalidate without any time limit, the arrear claims of local bodies for payment of amounts due to them which are over three years old.

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If for any reason reconciliation between Treasury and Departmental figures could not be effected within the prescribed time, the payment may be made on the basis of the departmental figures. If after reconciliation, any modification is necessary, the local bodies concerned should be informed of the same and necessary adjustments may be made while sanctioning payment for the next quarter either by short payment in the case of excess payment and payment of the difference in the case of short payments. The State Government may distribute the net proceeds of Entertainments Tax collected under Section 4 of the Tamil Nadu Entertainment Tax Act, 1939 between two or more local bodies in such proportions as the State Government may fix.

The Government may modify at any time an order which assigns the proceeds to a local authority or fix the proportions in which such proceeds shall be distributed among the local authorities if in the opinion of the State Government;

1. the said order has been passed under any mistake whether of fact or of law; or
2. the said order has been passed in ignorance of or without duly taking into account any material fact; or
3. any new circumstances have arisen since the order was passed which make it expedient to modify it; provided that no such modification shall be made in respect of any period after the expiry of two years from the end of that period. (Explanation "Year" shall mean the financial year).

AMENDMENT No.3/94.

Article 310-A (for the period from 1.7.1989).

Pages 433-434.

The following may be substituted in lieu of Article 310-A, after Article 310 in Tamil Nadu Financial Code, Volume-I (corrected upto 31st July 1991):-

Assignment from proceeds of Entertainments Tax to different kinds of Local Authorities under Section 13 of the Tamil Nadu Entertainments Tax Act, 1939 (Tamil Nadu Act X of 1993) will be made, as under.

Assignment of Entertainment Tax on Cinematographic Exhibitions:			
Sl. No.	Nature of the Local Bodies.	Section under which collection has been made.	Percentage of collection in Col. (3) to be assigned to the local bodies.
1.	2.	3.	4.
1.	Municipal Corporation of Madras, Madurai and Coimbatore or any other Municipal Corporation that may be constituted under any law for the time being in force and Special Grade Municipalities and townships.	Section 4 of the Tamil Nadu Entertainments Tax Act.	70%

2.	3.	
2. Selection Grade Municipalities and First Grade Municipalities.	Section 5-A and 5-B	75%
3. Second Grade and Third Grade Municipalities.	-do-	60%
4. Panchayat Towns and Municipal Townships.	-do-	65%
5. Panchayat Areas.	-do-	Panchayat Union Councils 30% Panchayats 30%

Assignment of Entertainment tax on horse races will be as shown below:

Any of the Local bodies	Section 4	70%
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Assignment of proceeds of Surcharges collected under the Tamil Nadu Local Authorities Finance Act, 1961 (Act 52 of 1961)

Under Section 3 of the above Act, the Local Authorities levy taxes as Surcharge on tax on payment for admission to horse races. Under Sec.4 of the Tamil Nadu Local Authorities Finance Act, 1961 such taxes levied as Surcharge by the Local Authorities shall be assessed and collected by the Government and the proceeds of any tax so collected shall be paid to the Local Authorities concerned after deducting towards the expenses incurred by the Government such percentage of the proceeds as the Government fix. These collections will be assigned to the Local Authorities concerned as per the table given below:

S1. No.	Nature of Local Authority.	Nature of Entertainment.	Percentage of proceeds of surcharge to be assigned to the Local Bodies.
	Municipal Corporation of Madras, Madurai and Coimbatore or any other Municipal Corporation that may be constituted under any law for the time being in force and Special Grade Municipalities or Any other local bodies.	Horse races.	100% of the Surcharge on Entertainment Tax.

The Assistant Commissioners (CT) of the CT Districts concerned are the authorities empowered to sanction payment of the proceeds to the Local Authorities in their respective jurisdictions.

Assignment of proceeds to the Local Authorities should be made once in a quarter. For this purpose, the Entertainment Tax Officer should submit to the respective Assistant Commissioners (CT) in the first week of January, April, July and October every year, a statement showing the amount of collection of taxes made under Sections 4, 5-A and 5-B of the Tamil Nadu Entertainment Tax Act, 1939 and Sur-charges under Section 3 of the Tamil Nadu Local Authorities Finance Act, 1961 realised in the previous quarter after deducting refund, if any, allowed in the quarter with details as to the names of the local authorities and the amount collected in their respective areas. The statement should contain a certificate of the Entertainment Tax Officer to the effect that the departmental and the Treasury figures have been verified and found correct. The Assistant Commissioner should after satisfying himself about the verification, sanction the payments as indicated in the above tables. He should pass orders of sanction before 25th January, April, July and October every year. Copies of the orders should be sent to the Treasury Officer, Sub-Treasury Officer, Accountant General, the Deputy Commissioner concerned, the Commissioner of Commercial Taxes and the Entertainment Tax Officers. Copies of the orders should also be sent to the Local Authorities concerned, to the executive officers of Town Panchayats through the Divisional Panchayat Officers and the Panchayat Union Commissioners in the case of Village Panchayats.

In respect of assignments in Madras City, copies of the sanction orders should be sent to the Pay and Accounts Officer also.

The local bodies should prefer their claims before the due dates or within three months from the due dates. If arrear claims of local bodies for payment of amount due to them are preferred after three months, the Assistant Commissioner (CT) may re-validate the arrear claims upto a limit of three years. The Commissioner of Commercial Taxes may revalidate without any time limit, the arrear claims of local bodies for payment of amounts due to them which are over three years old.

If for any reason reconciliation between Treasury and Departmental figures could not be effected within the prescribed time, the payment may be made on the basis of the departmental figures. If after reconciliation, any modification is necessary, the local bodies concerned should be informed of the same and necessary adjustments may be made while sanctioning payment for the next quarter either by short assignment in the case of excess payment and payment of the difference in the case of short payments.

The State Government may distribute the net proceeds of Entertainment Tax collected under Section 4 of the Tamil Nadu Entertainment Tax Act, 1939 between two or more local bodies in such proportions as the State Government may fix.

The Government may modify at any time an order which assigns the proceeds to a local authority or fix the proportions in which such proceeds shall be distributed among the local authorities if in the opinion of the State Government.

1. the said order has been passed under any mistake whether of fact or of law; or

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2. the said order has been passed in ignorance of or without duly taking into account any material fact; or
3. Any new circumstances have arisen since the order was passed which make it expedient to modify it;

Provided that no such modification shall be made in respect of any period after the expiry of two years from the end of that period. (Explanation "Year" shall mean the financial year).

Yours faithfully,

N. B. S.
28/3/94

For Special Secretary to Government.