

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

THE PUNJAB PROFESSIONS, TRADES, CALLINGS AND 365 EMPLOYMENTS TAXATION ACT, 1956. TABLE OF CONTENTS Sections : I. Short title, extent and commencement, 2. Definitions

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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 professions, trades, callings and employments, 4 [whether such profession or calling is followed, trade is carried on Or employment is, within or outside the 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 , i Substituted for the words "State of Punjab" by the Punjab Reorganisation (Chandigarh) (Adaptation of Laws on State and Concurrent Subjects) Order, 1968. • The Act came into force on the 20th October, 1956, see Punjab Government Notification No. dated the 20th October, 1956, published in Extraordinary Punjab Gazette, dated 22nd October, 1956. 'Inserted by Punjab Act No. 3 of 1960, section 2. 'Added by Punjab Act No. 10 of 1962. 'Substituted for the word "in" by Punjab Act No. 3 of 1960 and it shall be, and shall be deemed always to have been substituted. Scanned with OKEN Scanner Act VIII PROFESSIONS, TRADES,

CALLINGS, 369 AND EMPLOYMENTS TAXATION Jib, "assessing authority" in a particular area means Every person who carries on trade, either by of tax. or by an agcnt or representative, or who follows profession or calling, or who is in employment, either wholly or in part, within the 21Union territory of Chandi- shall be liable to pay for each financial year 3[or a Dart thereof] a tax in respect of such profession, trade, calling or employment : 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 Rates of tax.Schedule annexed to this Act

5. The tax payable by any person under this Act Determination or shall be determined with reference to his total gross a 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.computing the total gross income of any person under this section— (a) the following expenses incurred by him in res- pect 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 ; Substituted for the words "State Government" by tho Punjab Reorgani- sation (Chandigarh) (Adaptation of Laws on State and Concurrent Subjects) Order, Substituted for the words "8tate of Punjab" by Ibid. 'Inserted by Punjab Act No. 3 of 1957 , section 2. This amendment shall be, and shall be deemed always to have been inserted. Explanation added by Punjab Act No. 3 Of 1960, section 3, Scanned with OKEN Scanner 370 PROFESSIONS, TRADES, CALLINGS [1956: Pb. Act Vn AND EMPLOYMENTS TAXATION (3) direct expenses 0! production, that is to say (i) rent, rates, taxes, insurance of factory (ii) gas, fuel , lighting and hearing (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) repeirs, renewals and depreciation of plant, machinery, tools, lands and buildings; (b) the folloing 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 (he profession of calling, if he maintains an office or establishment in connection there- with in (he ordinary course of such profession or calling, shall be excluded.) 1[5-A. The provisions of this Act shall not apply Act not to apply Forces• to a member of the Armed Forces of India.] 1 Added by Punjab Act No. XII of 1957, section 2. This section shall and shall be deemed always to have been added. Scanned with OKEN Scanne 1956 :rbe Act VIJJ PROFESSIONS, TRADES, 39 J lax payable under this Act is not paid 6, If any such as bc [ixed by rules under thig Act at of land it shall bc recoverable as an arrear of land revcnuo. 7. (1) In the case of persons scrying under the State central Governmlent or in the employment of local from authority, the (ax which any such person in employment is liable to pay shall bc deducted at the source in the manner prescribed with refcrence to his (otal gross Income. (2) The amount of the tax deducted in respect of ersons in the employment of any local authority shaJI e 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. (2) Such person shall be legally bound to attend and give evidence or to produce the document•if in his posses- Sion 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. Power to compel attendance for öving evidence or to call for doca• ments. 1[8-A. Any person liable to pay tax under this and Act who— (a) fails to submit a return as required by sub- section (l) of section 8 or submits a false return ; or (b) fails to appear and given evidence or to produce döcuments either in person or through his agent before the Assessing Authority ; or (c) knowingly produces incorrect accounts, registers of documents, or knowingly furnishes in- correct information ; ilnserted by Punjab Act No. XII of 1957, section 3, Scanned with OKEN Scanner 372 PROFESSIONS, TRADES, CALLINGS [1956: Pb. Act AND EMPLOYMENTS TAXATION may be assessed summarily to the maximum rate of taR specified in the Schedule annexed to this Act.] 1[8-B. If in consequence of definite information Income which has come into his possession, the assessing authority assessment discovers that a person has escaped assessment or has been under-assessed for any financial year, the assessing authori. ty 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.] 2[8-C. Where any person fails to pay within such Power to recover penalty where tax time as may be fixed by rules under this Act any amount not paid within due from him on account of the tax assessed on him under time. 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 revi- 9. (1) Any person who has been informed of his liability to pay the tax 31under 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 the and the penalty, if any, recoverable] assessed on assessee has been paid.] Inserted by Punjab Act No. 3 of 1960, section 4. *Inserted by Punjab Act No. 7 of 1964. 'Substituted for the words "under this Act" by Punjab Act No. 7 Of 1964• 'Substituted for the words "State Government" by the Punjab Reorganisation (Chandigarh) (Adaptation of Laws on State and Concurrent Subjects) Order 1968. 'Added by Punjab Act No. 3 of 1960, section 5. by Punjab Act No, 7 of Substituted for the words "amount of tax assessed". i 964.0 Scanned with OKEN Scanner 1956 : Pb. Act VIII PROFESSIONS, TRADES, CALLINGS 373 AND EMPLOYMENTS TAXATION (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 [Central Government] or to such authority as [Central Government] may, by notification, appoint in this behalf, for its revision. The [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. Subject to the provisions of sub-section (2), the [Central Government] or the authority appointed in this behalf by the [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 Proceedings before authorities under this Act shall be deemed to be a judicial proceeding within to be the meaning of sections 193 and 228 and for the purpose of section 196 of the Indian Penal Code. purposes. 9-B. Where the [Central Government] is of the Power to exempt. 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.] Bar of Civil and 10. No civil court shall entertain any suit instituted Criminal suits. or application made to obtain a decision or orders on the liability of any person to pay the tax and no prosecution, iSubstituted for the words "State Government" by the Punjab Reorganisation (Chandigarh) (Adaptation of Laws on State and Concurrent Subjects) Order, 1968, 'Added by Punjab Act No. 3 of 1960. Inserted by Punjab Act No. 7 of 1964. (1 Scanned with OKEN Scanner 374 1956 Act VIII AND EMPLOYMENTS suit or other proceedings shall lie against any for done, or intended to be (1) The [Central Government] may make 2 Power to make rules. for carrying into effect the provisions of (his Act (2) In particular and without prejudice to the generality of the foregoing Power, the [Central Government] may (a) all matters which are required to be prescribed (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 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; (g) the remission in whole or in part of the tax payable under this Acts ; and 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 Governmentt• by the Punjab Reorganisa• lion (Chandigarh) (Adaptation of Laws on State and Concurrent Subjects) Order. 1968. "Rules framed" Yidg Punjab Government notification No. the 20th October, 1956. 'Substituted for the word "tax" by Punjab Act No, 7 of 1964. 'Clause (f) omitted by Punjab Act No. 7 of 1964, 'Substituted by Punjab Act No. IO of 1962. Scanned with OKEN Scanner lib. Act Ns, TRADES, C,ALLtNGq ANY) "MPLOYMVNTS TAXATION 315 (See Section 4) Rate of tax Where the total gross annual income— (1) exceeds Rs 6,000 but does not exceed Rs 8,500 (2) exceeds Rs 8,500 but does not exceed Rs 13,500 (3) exceeds Rs 13,500 but does not exceed Rs 25,000 (4) exceeds Rs 25,000 Amotjnt of tax 120 150 200 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: If 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 (he tax is payable bears to the financial year.] JAdded by Punjab Act No, 3 of 1957, Section 3, These words shall be, and shall be deemed always 'to have been added. Scanned with OKEN Scanner

