

**THE UTTAR PRADESH TAXATION AND LAND REVENUE LAWS ACT,
1975****[U.P. ACT NO. 8 OF 1975]**

(As passed by the Uttar Pradesh Legislature)

AN**ACT**

to provide for the imposition of a tax on luxuries in hotels and for amendment of certain taxation and land revenue laws.

IT IS HEREBY enacted in the Twenty-sixth Year of the Republic of India as follows :-

**CHAPTER I
PRELIMINARY**

- Short title and Laws extent 1. (1) This Act may be called the Uttar Pradesh Taxation and Land Revenue Act, 1975.
- (2) It extends to the whole of Uttar Pradesh.

CHAPTER II**IMPOSITION OF LUXURIES TAX**

- Commencement 2. This Chapter shall come into force on such date as the State Government may by notification in the Gazette appoint in that behalf.

- [Definitions 3. In this Chapter, unless the context otherwise requires :-

(a)“American plan” means the tariff plan in which the rent of the room includes the charges for the breakfast the lunch and the dinner and may include the charges for the evening tea;

(b)“Continental Plan” means the tariff plan in which the rent for the room includes the charges for the breakfast;

[(c)“hotel” includes a residential unit (including a tent made unit) wherein rooms are provided to customers on rent and it also includes conference hall, marriage hall, community hall, mandap, club, lodge, tentage resort and also space provided on rent by the owners of open space for business purposes, but does not include approved units under paying guest scheme of the department of tourism of the Uttarakhand Government;]¹

(d) “Luxuries” means such amenities as are provided in a hotel to the occupants of such rooms or suites therein as carry a rent of rupees one thousand or more per day;

(e) “Luxury Tax” or “the tax” means the tax levied under section 4;

(f) “Modified American Plan” means the tariff plan in which the rent of the room includes the charges for the breakfast and one meal, either lunch or dinner;

(g) “Proprietor” meant the owner of the hotel and includes the person, who, for the time being is incharge of the management of the hotel;

1. Substituted by section 2 of Uttarakhand Act No.17 of 2011.

[The Uttar Pradesh Taxation and Land Revenue Laws Act, 1975]

[Section 4-4A]

[(h) “rent” means the aggregate of all charges, by whatever name called actually realized from the occupiers of rooms or suites of rooms

in a hotel and for business purposes providing conference hall, marriage hall, community hall, mandap, club, lodge, tentage resort and open space and includes air-conditioning, cooler, heater, geyser, blower, telephone, television, radio, package deal, music, entertainment, additional bed, summing pool, SPA, health oriented other programmes, beauty parlour and linen made items but does not include charges of food or drinks or charges of items on which commercial tax under the Uttarakhand Value Added Tax Act, 2005 is payable.]²

Explanation—1- Irrespective of the number of persons staying in a room or suite the tax shall be levied, considering the room or the suit as a unit. Wherever a composite rate of charges has been fixed by the proprietor including charges of accommodation, food and drinks and the like under the various tariff plans such as, Continental, American or Modified American Plan, the tax under this Act shall not be levied on that part of such charges on which Trade Tax is leviable under the Uttar Pradesh Trade Tax Act, 1948.

Explanation—2- Wherever the charges are realized by the proprietor on the basis of a rate, other than the daily rate, the assessment of the tax, shall be made on the average daily charges calculated on the basis of the total period of use of the room or suite.

Explanation –3- Wherever the proprietor gives any kind of discount and realize charges at a different rate than the published or declared rate of tariff for the rooms or suits, the tax shall be levied on the charges actually realized and not on the charges published or declared by the proprietor.]¹

Levy of tax 4. [(1) Luxury tax shall be payable at the following rate by every person who occupies any room or suite of rooms-

	rent per day	rate of luxury
tax (a)	Rs. 1000 to 3500	5 percent (b)
	above Rs. 3500	10 percent

(2) Providing for business purposes conference hall, marriage hall, community hall, mandap, club, lodge, tentage resort and open space, 5 percent of the rent, where the rent is more than Rs. 10000.00 per day.]³

[Exemption and deferment tax 4-A (1) Subject to such conditions as it may impose, the State Government may, if it is necessary so to do on the public interest, by notification, exempt any of class of hotels or any specific class of luxuries provided in a hotel from payment of the whole or any part of the tax payable under this Act or allow for deferment of the payment of the whole or any part of such tax, for a period not exceeding five years.

1. Subs. by section 4 of U.P. Act No. 34 of 1999.

2. Substituted by section 2 of Uttarakhand Act No.17 of 2011. 3.

Subs. by section 3 ibid.

[The Uttar Pradesh Taxation and Land Revenue Laws Act, 1975]

[Section 5-7]

(2) Where a proprietor has availed of any exemption or deferment under sub-section (1) and any of the conditions for such exemption or deferment has not been complied with by him for any reason whatsoever, then, such proprietor shall, be liable to pay the tax for the period of exemption or deferment as if such exemption or deferment had not been allowed to him.]¹

Manner of payment 5. (1) The tax shall be collected along with rent by the proprietor of the hotel from the persons liable to pay it and shall be paid by the proprietor to the State Government in such manner as may be prescribed.

(2) If any proprietor fails to pay the tax within the prescribed period he shall be liable to pay simple interest at the rate of [15 per cent per annum]² on the amount remaining unpaid, and such interest shall be added to the amount of tax and deemed for all purposes to be part of the tax:

Provided that where as a result of an order passed on appeal the amount of tax is varied the interest shall be recalculated.

Assessment of 6.
tax

(1) The tax shall be assessed by such authority as may be prescribed.

(2) The procedure of assessment and of any appeal from any order of assessment and the powers of the assessing and appellate authorities shall be such as may be prescribed.

[(3) Registration:- any owner of the hotel who is liable for luxury tax under this Act, shall get the hotel registered within such time and in such manner as may be prescribed :

Provided that the owner of the hotel who is liable for luxury tax shall be allowed 30 days time from the time he is first liable to pay luxury tax :

Provided further that the hotel owners who are paying luxury tax shall apply for registration within 30 days from the date of the commencement of this Act in such manner as may be prescribed.]³

Payment of 7.
composition
fee in lieu of
tax

[(1) Notwithstanding anything to the contrary in this chapter, the assessing authority may permit the owner of the hotel to pay in lieu of the tax payable by him under this chapter a lump sum by way of composition subject to such conditions as may be prescribed.

(2) Composition scheme:- All registered hotels whose rent of each room is from Rs. 1000.00 to Rs. 2000.00 and the number of rooms is up to 20, may, subject to the provisions of this Act opt for lump sum composition amount in lieu of tax.

1. Subs. by section 5 of U.P. Act No. 34 of 1999.
2. Substituted by section 4 of Uttarakhand Act No.17 of 2011.
3. Subs. by section 5 ibid.

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[Section 8-10]

(3) Where a composition money for a period has been accepted in respect of any hotel, any change in the rate of tax which may come into force after the date of such agreement shall have the effect of making a proportionate change in the lump sum or the rate agreed upon in relation to that part of the assessment during which the changed rate remains in force.

(4) Where the State Government is of the opinion that it is no longer in the public interest to continue any scheme of lump sum composition amount in lieu of tax, it may at any time during the period, withdraw such scheme and in that case if a lump sum amount of composition money has been fixed, a part of it in proportion to the part of the period during which the scheme remained in force shall be payable by the hotel owner.]¹

- Inspection of and accounts 8. The assessing authority or any other officer authorized by him in that books behalf may, with a view to satisfying itself or himself that the provisions of this Chapter or rules made thereunder are being complied with—
- (a) enter any hotel at any reasonable time;
 - (b) require any proprietor of a hotel to produce before him any books, accounts or other documents;
 - (c) inspect any books, accounts or other documents; and
 - (d) inspect the rooms to ascertain their occupancy.
- Recovery of sums as arrears of land revenue 9. Without prejudice to the provisions of section 7, any sums payable under section 5, shall on the certificate of the assessing authority be recoverable from the proprietor as an arrear of land revenue.
- Penalty 10. (1) Without prejudice to the provisions of sub-section (2) of section 5, if any person fails to pay any sum payable under section 5 or section 7 within the prescribed period he shall, on conviction be liable to pay a fine not exceeding rupees five thousand and when the offence is a continuing one, with a further fine not exceeding rupees one hundred per day during which the offence continues.

(2) Whoever fails to supply any information which he is required to supply under any rules made under this Chapter or knowingly supplies false information shall be punishable with fine which may extend to five thousand rupees.

[(3) If any person responsible for obtaining registration under this Act, runs or continues to run the hotel without registration under the provisions of section 6, shall, from the date he is liable for registration, be liable for penalty of two hundred rupees for each month or part thereof for default for the first three months and after the first three months five hundred rupees for each month or part thereof in which default continues.]²

1. Substituted by section 6 of Uttarakhand Act No.17 of 2011. 2. Added by section 7 ibid.

[The Uttar Pradesh Taxation and Land Revenue Laws Act, 1975]

[Section 11-13]

- Offences by companies 11. (1) If the person committing an offence under this Chapter is 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 provided in this Chapter if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Chapter is committed by a company and it is proved that the offence has been committed with the consent or connivance of, 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 also be deemed guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation---For the purposes of this section- --

(a) "company" means a 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.

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| Protection of
action taken
under this
Chapter | 12. | No suit, prosecution or other legal proceedings shall lie against the State Government or any officer of the State Government for anything which is in good faith done or intended to be done in pursuance of the provisions of this Chapter or the rules made thereunder. |
| Power to make
rules | 13. | <p>(1) The State Government may by notification in the <i>Gazette</i>, make rules for carrying out the purposes of the provisions of this Chapter and such rules may, among other things, provide for the levy of fees in respect of proceedings referred to in section 6.</p> |

(2) All rules made under this Chapter shall, as soon as may be after they are made, be laid before each house of the State Legislature, while it is in session for a total period of not less than thirty days, extending in its one session or more than one successive sessions, and shall unless some later date is appointed, take effect from the date of their publication in the *Gazette* subject to such modifications or amendments as the two Houses of the Legislature may during the said period, agree to make, so, however, that any such modification or amendment shall be without prejudice to the validity of anything previously done thereunder.

