The Goa Entertainment Tax (Amendment) Bill, 2001

(Bill No. 15 of 2001)

As introduced in the Legislative Assembly of Goa.

GOA LEGISLATURE SECRETARIAT
ASSEMBLY HALL, PORVORIM
THE GOA ENTERTAINMENT TAX (AMENDMENT) BILL, 2001

(BILL No.15 OF 2001)

A BILL

further to amend the Goa, Daman and Diu Entertainment Tax Act, 1964.

Be it enacted by the Legislative Assembly of Goa in the Fifty-first Year of the Republic of India as follows:—

1. Short title and commencement.— (1) This Act may be called, the Goa Entertainment Tax (Amendment) Act, 2001.

(2) It shall come into force on such date as the Government may, by notification in the Official Gazette, appoint.

2. Amendment of section 1.— In section 1 and in any other section of the Goa, Daman and Diu Entertainment Tax Act, 1964 (Act 2 of 1964) (hereinafter referred to as the “principal Act”),—

(i) in the long and short title, the figure and words “Daman and Diu”, wherever they occur, shall be omitted;

(ii) for the words “Union Territory of Goa, Daman and Diu”, wherever they occur, the words “State of Goa” shall be substituted.
3. Amendment of section 2.— In section 2 of the principal Act, —

(i) in clause (b), after the expression “under sub-section (1) of section 2A”, the expression “and includes an Additional Commissioner of Entertainment Tax” shall be inserted;

(ii) in clause (d), after the expression “amusement”, and before the word “game”, the expression “river cruise/boat cruise, casinos of all kinds,” shall be inserted;

(iii) in clause (f), after sub-clause (iv), the following provisos shall be inserted, namely:

"Provided that any payment not exceeding Rs.2/- per ticket or 10% of the payment for admission, whichever is less, if charged by the proprietor towards service charges separately and the proprietor shows to the satisfaction of the prescribed officer or such other officer notified by the Government, that the amount of such service charges shall be spent by him or by the owner/lessee of the theatre, as the case may be, within such period as may be notified, towards maintenance and providing facilities and safety measures in permanent cinema theatres, such service charges shall not be included in the payment for admission:

Provided further that the total amount of service charges collected by the proprietor should not exceed the amount spent upto the notified period in maintaining and providing facilities and safety measures in permanent cinema theatres or for a period of three years from the notified date, whichever is earlier:

Provided also that if the amount collected by way of service charges is not spent within the notified period or extended period, the proprietor shall be liable for penalty not exceeding one and half times the amount of such service charges in addition to the entertainment tax at prevailing rate.

The proprietor shall furnish an undertaking jointly signed with the owner/lessee of the theatre stating that the amount of service charges collected shall be spent towards maintenance and providing facilities and safety measures and in the event of default thereof they shall be jointly liable to pay the amount with penalty.”.

4. Amendment of section 2A.— In sub-section (1) of section 2A of the principal Act, “for the word “Commissioner”, the expression “Commissioner and/or Additional Commissioner” shall be substituted.

5. Amendment of section 3.— In sub-section (1) of section 3 of the principal Act, in clause (b), —

(i) after the expression “tax in respect of” and before the expression “theatrical performance”, the expression “river cruise/boat cruise/casinos of all kinds,” shall be inserted;

(ii) in item (ii), for the figure “20”, the figure “15%” shall be substituted.

6. Insertion of new section 3D.— After section 3C of the principal Act, the following section shall be inserted, namely:

“3D. Composition of tax payable on entertainment provided by way of river cruises/
boat cruises under section 3.— In lieu of tax payable under section 3 for entertainment provided by way of river cruises/boat cruises, the proprietor may, at his option and in such manner as may be prescribed, pay the tax by way of composition at 30% of the aggregate value of notional receipts receivable for admission worked out as under:

Aggregate notional receipts = total capacity of the boat or vessel by way of number of persons, on which entertainment is provided by way of river cruises/boat cruises X rate per ticket per adult person X number of trips”.

7. Amendment of section 5.— In section 5 of the principal Act, after sub-section (3), the following shall be inserted, namely:

(4) Notwithstanding anything contained in clause (b) of sub-section (1) of section 3 of this Act, the entertainment provided by way of river cruises/boat cruises prior to the date of enforcement of the Goa Entertainment Tax (Amendment) Act, 2001, shall be exempt from entertainment tax if aforesaid tax has not been collected on such entertainment on the ground that no such tax could have been levied or collected at that time:

Provided that the burden of proving that the entertainment tax was not collected on entertainment provided by way of river cruises/boat cruises referred to in clause (b) of sub-section (1) of section 3, shall be on the person claiming exemption under this sub-section.

Statement of Objects and Reasons

The High Court of Bombay, Panaji Bench in Writ Petition No.380 of 1992 dated 26.2.1998 has held river cruises to be an entertainment. The Bill therefore, proposes to amend section 2 of the Goa, Daman and Diu Entertainment Tax Act, 1964 (Act 2 of 1964), so as to cover river cruise/boat cruise and casinos of all kinds, within the definition of ‘entertainment’ in the said Act, 1964.

The Bill proposes to amend section 2(f) of the said Act, 1964, so as to give relief to the proprietor of the cinema theatres by allowing charging of service charges of Rs.2/- per ticket or 10% of payment for admission, whichever is less towards maintenance and providing facilities and safety measures, and exempt such charges from the payment of entertainment tax.

The Bill proposes to amend section 2A of the said Act, 1964, so as to provide for appointment of Additional Commissioner of Entertainment Tax.

The Bill further proposes to insert a new section 3D in the said Act, 1964 so as to provide for composition of tax payable on entertainment provided by way of river cruises/boat cruises in the manner as specified therein.

The Bill also proposes to insert sub-section (4) in section 5 of the said Act, 1964, so as to provide that the entertainment provided by way of river cruises/boat cruises prior to the date of enforcement of the Goa Entertainment Tax (Amendment) Act, 2001, shall be exempt from entertainment tax if the tax has not been collected on such entertainment on the ground that no such tax could have been levied or collected at that time.

This Bill seeks to achieve the above objects.


MANOHAR PARRIKAR
Chief Minister
No financial implications are involved towards implementation of the provisions of the Act since no additional expenditure will be incurred on account of the proposed amendments.

Memorandum Regarding Delegated Legislation

Proposed first proviso to section 2(f) (iv) to the Goa, Daman and Diu Entertainment Tax Act, 1964 (Act 2 of 1964), seeks to provide for framing rules as regards the officer for the purpose specified therein.

Proposed new section 3D to the said Act, 1964, empowers the Government to make rules providing for manner in which payment of tax by way of composition shall be made.

The above delegations are of normal character.

Assembly Hall, R. KOTHANDARAMAN
Porvorim, Goa Secretary (Legislature)

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Section 1. Short title, extent and commencement.— (1) This Act may be called the Goa, Daman and Diu Entertainment Tax Act, 1964.

(2)................

(3) It shall come into force on the 1st day of April, 1964.

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

(a)............

(b) “Commissioner” means the Commissioner of Entertainment Tax appointed under sub-section (1) of section 2A;

(c) ............

(d) “entertainment” includes any exhibition, performance, amusement, game or sport to which persons are admitted for payment;

(e)............

(f) “payment for admission” means the amount paid for admission and includes —

(i) any payment for seats or other accommodation in a place of entertainment.

(ii) any payment made for the loan or use of any instrument or contrivance which enables a person to get a normal or better view or hearing of the entertainment which, without the aid of such instrument or contrivance such person would not get; and
(iii) any payment for any purpose whatsoever connected with an entertainment or for a programme of synopsis thereof which a person is required to make as a condition of attending or continuing to attend the entertainment in addition to the payment, if any, for admission to the entertainment,

(iv) any payment made by a person who, having been admitted to one part of a place of entertainment, is subsequently admitted to another part thereof for admission to which a payment involving tax or more tax is required.

Note— "payment for admission" does not include any amount collected by way of tax under this Act provided such amount is separately shown on the ticket issued for admission;

(g) "prescribed" means prescribed by rules made under this Act;

(h) "proprietor" in relation to any entertainment includes any person responsible for, or for the time being in charge of, the management thereof.

(i) "tax" or "entertainment tax" means the tax leviable under section 3;

(j) "Surcharge or surcharge on entertainment tax" means the surcharge leviable under section 3A.

Section 2A Taxing Authorities.— (1) The Government shall appoint an officer to be called the Commissioner of Entertainment Tax for carrying out the purpose of this Act.

(2) The Government shall appoint an Assistant Commissioner of Entertainment Tax and such number of Entertainment Tax Officers as it deems necessary to assist the Commissioner in the execution of his functions under this Act.

(3) The Commissioner may appoint such number of—

(a) Assistant Entertainment Tax Officers;

(b) Entertainment Tax Inspectors; and

(c) Other officers and such ministerial staff as he thinks necessary to assist him in the execution of his functions under this Act.

(4) The Commissioner and all other Officers and persons appointed under this section shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code, 1860.

Section 3. Levy of Tax.—

(a) There shall be levied and paid to the Government on all payments for admission to any entertainment, not being a game or sport, a tax at the following rates, namely—

(i) On payments for admission not exceeding Re. 1/-

(ii) On payments for admission exceeding Re. 1/- but not exceeding Rs.2/-

(iii) On payments for admission exceeding Rs.2/-

(b) Notwithstanding anything contained in clause(a), tax in respect of theatrical performance, including dramas, shall be levied and paid at the following rates, namely—

(i) On payment for admission not exceeding Rs.10/-

NIL
(ii) On payment for admission exceeding Rs.10/-
20% of the amount paid for admission;

(c) Where the entertainment is provided by a game or sport, the tax shall be levied and paid at the following rates, namely:-

<table>
<thead>
<tr>
<th>Range of Admission</th>
<th>Rate of Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not exceeding Rs.1/-</td>
<td>NIL</td>
</tr>
<tr>
<td>Exceeding Rs.1/- but not exceeding Rs.2/-</td>
<td>15% of the amount paid for admission</td>
</tr>
<tr>
<td>Exceeding Rs.2/-</td>
<td>20% of the amount paid for admission</td>
</tr>
</tbody>
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"(2) In computing the tax payable under sub-section (1) the tax leviable shall be computed with reference to each single person admitted and shall, wherever necessary, be rounded off to the nearest multiple of five paise and, for this purpose, where such amount contains any amount less than five paise, then if such amount is two paise or more, it shall be increased to five paise and if such amount is less than two paise, it shall be ignored."

(3) Where the payment for admission to any entertainment is made by means of a lump sum paid as a subscription or contribution to any society, or for a season ticket or for the right of admission to a series of entertainments or to any entertainment during a certain period of time, or for any privilege, right, facility or thing combined with the right of admission to any entertainment or involving such right of admission without further payment or at a reduced charge, the entertainment tax shall be paid on the amount of the lump sum, but where the Commissioner is of opinion that the payment of a lump sum or any payment for a ticket represents payment for other privileges, rights or purposes besides the admission to an entertainment, or covers admission to an entertainment during any period for which the tax has not been in operation, the tax shall be charged on such amount as appears to the Commissioner to represent the right of admission to entertainment in respect of which the entertainment tax in payable.

(4) There shall be levied and paid to the Government on every complimentary ticket issued by the proprietor the entertainment tax at the appropriate rate prescribed under sub-section (1), as if full payment has been made for admission to the entertainment according to the class or set of accommodation which the holder of such ticket is entitled to occupy or use and the holder of such ticket shall be deemed to have been admitted for payment for the purpose of this Act.

"3A. Commissioner to decide whether an entertainment is a game or sport or a theatrical performance other than a drama.- (1) If any question arises whether an entertainment is a game or sport or a theatrical performance other than a drama, the Commissioner shall decide the question after making inquiry in the manner prescribed.

(2) Any person aggrieved by the decision of the Commissioner may prefer an appeal to the Government within such time and in such manner and on payment of such fee as may be prescribed and the decision of the Government on such appeal shall be final."

"3B. Levy of Surcharge.—(1) In addition to the tax payable under section 3 of the principle Act, there shall be levied and paid to the Government on every admission to an entertainment, a surcharge on entertainment tax which shall be calculated at the rate of ten percent on the entertainment tax payable.

(2) In computing the surcharge payable under sub-section (1), the surcharge leviable shall be computed with reference to each single person admitted and shall, wherever necessary, be rounded off to the nearest multiple of five paise and, for this purpose, where such amount..."
contains any amount less than five paise, then if such amount is two paise or more it shall be increased to five paise and if such amount is less than two paise it shall be ignored.

3C. Substitution of certain words. — For the words "tax" or "entertainment tax" wherever they occur in the principle Act in the context of payment of tax the words "tax and surcharge" or "entertainment tax and surcharge on entertainment tax" shall be substituted respectively.

Section 5. Exemptions. — (1) Entertainment tax shall not be levied on payments for admission to any entertainment where the commissioner is satisfied that,

(a) the whole of the takings thereof are devoted to philanthropic or charitable purpose; or

(b) the entertainment is of an educational or scientific character;

(c) ..................

(2) The Government may exempt from entertainment tax any ticket or complimentary ticket issued to a person in uniform serving in the defence forces of India, subject to such conditions as may be prescribed.

(3) The Government may, by general or special order exempt any entertainment or class of entertainments from liability to entertainment tax in whole or in part.

Assembly Hall, Porvorim, Goa