




# **Legislative Assembly of the State of Goa**

## **GOA TAX ON LUXURIES (SECOND AMENDMENT) BILL, 2001**

(Bill No. 50 of 2001)

  
( ~~To~~ be introduced in the Legislative Assembly of the  
State of Goa )

**GOA LEGISLATURE SECRETARIAT  
ASSEMBLY HALL, PORVORIM  
MARCH, 2001.**

Goa Tax on Luxuries (Second Amendment)  
Bill, 2001

(Bill No. 50 of 2001)

A

BILL

*further to amend the Goa Tax on Luxuries Act, 1988 (Goa Act No.17 of 1988).*

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

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

(2) It shall come into force with effect from 1.4.2001.

2. *Amendment of section 2.*— i) In section 2 of the Goa tax on Luxuries Act, 1988 (Goa Act 17 of 1988) (hereinafter called the 'principal Act'),—

(1) The existing clause (a) shall be renumbered as (aa) and before clause (aa) so renumbered, the following clause shall be inserted, namely:—

“(a) ‘accommodation provided for commercial purpose’ means a building or part of a building where accommodation is provided for holding trade fairs, exhibitions, demonstrations, sales promotions, conferences, etc., and includes open space where tents or any enclosure erected for giving on hire space for holding the activities herebefore mentioned.”;

(ii) for clause (b), the following shall be substituted, namely:-

"(b) 'business' includes.— (a) the activity of providing residential accommodation and any other services in connection with, or incidental to or ancillary to such activity of providing residential accommodation by a hotelier for monetary consideration;

(b) The activity of providing, stocking, wending, distributing or supplying of luxuries;

(c) The activity of providing accommodation for commercial purpose, such as, for holding trade fairs, exhibitions, demonstrations, sales promotions, conferences, etc., for monetary consideration.";

(iii) for existing clause (f), the following shall be substituted, namely:—

"(f) 'luxury provided in a hotel' means accommodation and other services provided in a hotel, including air conditioning, telephone, television, radio, music entertainment, extra beds and the like, but does not include the supply of food and drinks.";

(iv) for existing clause (h), the following shall be substituted, namely:-

"(h) 'place of business' includes an office, or any other place which a hotelier or proprietor or stockist uses for the purpose of his business or where he keeps his books of accounts;

(v) after clause (i), the following clause shall be inserted, namely:-

"(ii) 'proprietor' in relation to accommodation provided for commercial purpose includes the person who for the time being is in-charge of the management of the building or part of the building or tent or enclosure, as the case may be;"

(vi) for existing clause (n), the following shall be substituted, namely:-

"(n) 'tax' means the tax levied on luxuries provided in a hotel or for accommodation provided for commercial purpose and on other luxuries provided under this Act";

(vii) for existing clause (p), the following shall be substituted, namely:-

"(p) 'turnover of receipts' means, the aggregate of the amounts of monetary consideration received or receivable by a hotelier or by his agent in respect of luxuries provided in a hotel during a given period and includes the aggregate of amount of monetary consideration received or receivable by the proprietor for accommodation provided for commercial purpose".

3. *Amendment of section 5.* — In section 5 of the principal Act, for sub-section (4), the following shall be substituted, namely:-

"(4) where luxury provided in a hotel to any person (not being an employee of the hotel) is not charged at all, nevertheless there shall be

levied and collected a tax on such luxury at one fourth of the rates specified in sub-section (2), as if full charges for such luxuries were paid to the hotelier."

4. *Insertion of new section 5B.*—

After section 5A of the principal Act, the following section shall be inserted, namely:-

" 5B. *Levy of tax on accommodation provided for commercial purposes.*— Subject to the provisions of this Act there shall be levied and collected a tax at the rate of 12 per cent on the turnover of receipts of the proprietor or rupees two hundred and fifty per day, whichever is higher, for accommodation provided for commercial purposes."

5. *Amendment of section 9.*— In section 9 of the principal Act, for sub-section (1) and (2), the following shall be substituted, namely:-

" (1) No hotelier or proprietor or stockist liable to pay the tax under section 5 or under section 5A or under section 5B or under sub-section (6) of section 8 shall provide accommodation or other luxuries by way of business, unless he possesses a valid certificate of registration as provided by this Act:

PROVIDED that, it shall be lawful for the hotelier or proprietor or stockist to provide or continue to provide accommodation or other luxuries by way of business, if he has applied for registration within the time provided under sub-section (2).

(2) Every hotelier or proprietor or stockist required to possess a certificate of registration shall apply in the prescribed form on payment of fees specified in Schedule II appended hereto, to the Commissioner within 30 days from the date on which he first becomes liable to pay the tax."

6. *Insertion of new section 9A.*— After section 9 of the principal Act, the following section shall be inserted, namely:—

" 9A. *Renewal of Registration Certificate.*— Every hotelier or proprietor or stockist liable for registration under this Act, shall have to get his registration certificate renewed every year on payment of charges specified in Schedule II appended hereto."

7. *Amendment of section 37.*— In sub-section (5) of section 37 of the principal Act, after clause (a), the following clause shall be inserted, namely:-

"(aa) carries on the business without his registration certificate being renewed in wilful contravention of section 9A;"

8. *Amendment of section 45.*— In section 45 of the principal Act, sub-section (3) thereof shall be omitted.

9. *Substitution of the expression "hotelier or stockist".*— In the principal Act, for the expression "hotelier or stockist", wherever it occurs except in section 5, the expression hotelier or proprietor or stockist, as the case may be, shall be substituted.

10. *Substitution of the expression 'Luxuries provided in a hotel and on other luxuries'.*— In

the principal Act, for the expression "luxuries provided in a hotel and on other luxuries", wherever it occurs except in section 5, 6, 7 and 8, the expression "luxuries provided in a hotel or for accommodation provided for commercial purposes and other luxuries, as the case may be" shall be substituted.

11. *Insertion of new Schedule.*— After existing Schedule in the principal Act, the following Schedule shall be inserted, namely:-

" SCHEDULE II

(See sections 9 (2) and 9A)

Category of hoteliers	Amount of registration charges/renewal charges
1	2

- |   |                                |
|---|--------------------------------|
| (1) For hotels having upto 4 rooms including rent back accommodation, tourist home and any other accommodation required to be covered under the Goa Registration of Tourist Trade Act, 1982.                      | Rs.200/-                       |
| (2) For hotels having rooms in excess of 4 but below 60 including rent back accommodation, tourist home and any other accommodation required to be covered under the Goa Registration of Tourist Trade Act, 1982. | Rs 200/- plus Rs.10/- per room |

1	2
(3) For hotels having 60 rooms and above including rent back accommodation, tourist home and any other accommodation required to be covered under the Goa Registration of Tourist Trade Act, 1982.	Rs.800/- plus Rs.20/- per room
<i>Stockist and Others</i>	
Stockist and others liable under the Act.	Rs.1000/-".

## Statement of Objects and Reasons

The Finance Minister in his Budget Speech for the year 2001-2002 has proposed levy of luxury tax on accommodation provided for commercial purposes. He has also proposed charges for registration and renewal of certificate of registration for hoteliers, proprietors and stockist.

(i) The Bill, therefore, seeks to amend the Goa Tax on Luxuries Act, 1988(Goa Act 17 of 1988), so as to define the expression 'accommodation provided for commercial purpose', 'proprietor' and to amend the expression 'business', 'place of business', 'tax' and 'turnover of receipts'.

(ii) The Bill seeks to substitute sub-section (4) of section 5 of the said Act, 1988, so as to do away with luxury tax on discount allowed and reduce tax rate to one fourth of the rate in case of complimentary room.

(iii) The Bill seeks to insert new section 5B in the said Act, 1988, so as to provide rate of tax for accommodation provided for commercial purpose.

(iv) The Bill seeks to amend section 9 of the said Act, 1988, so as to provide for registration of hotelier or proprietor or stockist, and fees therefore.

(v) The Bill seeks to insert new section 9A so as to provide for renewal of certificate of registration.

(vi) The Bill seeks to amend section 37 of the said Act, 1988, for constituting non-renewal of certificate of registration, as an offence under the said Act.

(vii) The Bill seeks to amend section 45 so as to do away with pre-publication of the rules framed under the said Act.

(viii) The Bill seeks to insert a new Schedule to provide for charges for certificate of registration/renewal of certificate of registration.

This Bill seeks to achieve the above objects.

## Financial Memorandum

No financial implications are involved towards implementation of the provisions of this Bill since no additional expenditure will be incurred on account of the proposed amendments.

## Memorandum Regarding Delegation of Legislation

Proposed sub-section (2) of section 9 seeks to empower the Government to frame rules for prescribing application form for registration of stockist, proprietor and hotelier.

The above delegation is of normal character.

Porvorim,  
28th March, 2001.

MANOHAR PARRIKAR  
Chief Minister

Assembly Hall,  
Porvorim, Goa,  
28th March, 2001.

R. KOTHANDARAMAN  
Secretary (Legislature)

**Governor's Recommendation under Article 207  
of the Constitution**

In pursuance of Article 207 of the Constitution of India, I, Mohammed Fazal, the Governor of Goa hereby recommend to the Legislative Assembly of Goa, the introduction and consideration of the Goa Tax on Luxuries (Second Amendment) Bill, 2001.

**ANNEXURE**

.....  
**Extract of the Goa Tax on Luxuries Act, 1988**  
**(Act 17 of 1988).**  
.....

Section 1. *Short title and commencement.*— (1) this Act may be called the Goa Tax on Luxuries (Amendment) Act, 2001.

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

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

(a) 'appointed day' means the day on which this Act comes into force;

(b) 'business' includes,—

(i) the activity of providing residential accommodation and any other services in connection with or incidental or ancillary to such activity or providing residential accommodation by a hotelier for monetary consideration;

(ii) the activity of providing, stocking, wending, distributing or supplying of luxuries;

(c).....

(d).....

(e).....

"(f) 'luxury provided in a hotel' means accommodation and other services provided in a hotel, the rate of charges for which including air conditioning, telephone, television, radio, music entertainment, extra beds and the

like, is one hundred rupees per day or more; but does not include the supply of food and drinks:'

(g).....

(h) 'place of business' includes an office, or any other place, which a hotelier uses for the purpose of his business or where he keeps his books of accounts;

(i) 'prescribed' means prescribed by rules made under this Act;

(j).....

(k).....

(l).....

(n) 'tax' means the tax levied on luxuries provided in a hotel payable under this Act;

"(p) 'turnover of receipts' means, the aggregate of the amounts of monetary consideration received or receivable by a hotelier or by his agent in respect of luxuries provided in a hotel during a given period and includes the aggregate of amount of monetary consideration received or receivable by the proprietor for accommodation provided for commercial purpose".

#### Section 5. *Incidence and levy of tax.....*

(4) Where luxury provided in a hotel to any person(not being an employee of the hotel) is not charged at all, or is charged at a concessional rate, nevertheless there shall be levied and collected the tax on such luxury, at the rate specified in sub-section (2), as if full charges for such luxury were paid to the hotelier.

(5).....

(6).....

Section 5A. Levy of tax on luxuries.— (1) Subject to the provisions of this Act, there shall be levied and collected

a tax on the turnover of stock of luxuries, in respect of luxuries mentioned in column (2) of the Schedule at the rate specified in the corresponding entry in column(3) of the Schedule.

(2) The tax levied under sub-section (1) shall be paid by every registered stockist or a stockist liable to get himself registered under this Act.

(3) Notwithstanding anything contained in sub-section (1), but subject to the production of proof as may be prescribed, no tax shall be leviable on the value of stock of luxuries,—

(i) dispatched to places outside the State;

(ii) on which tax under this Act has been paid or has become payable.

Section 9.— *Registration of hoteliers.*— (1) No hotelier liable to pay the tax under section 5 or under section 5A or under sub-section (6) of section 8 shall provide accommodation or other luxuries by way of business, unless he possesses a valid certificate of registration as provided by this Act:

Provided that, it shall be lawful for the hotelier to provide or continue to provide accommodation by way of business, if the hotelier has applied for registration within the prescribed time.

(2) Every hotelier required to possess a certificate of registration shall apply in the prescribed form to the Commissioner within 30 days from the date on which the hotelier first becomes liable to pay the tax.

(3).....

(4).....

(5).....

(6).....



**Substitution of word 'hotelier'.** — In the principal Act, for the word "hotelier", wherever it occurs, except in section 5, the expression " hotelier or stockist, as the case may be", shall be substituted.

**Section 37.— Offences and penalties.— (1).....**

(i).....

(ii).....

(2).....

(3).....

(i).....

(ii).....

(a).....

(b).....

(4).....

(5) Whoever—

(a) Carries on business without being registered in willful contravention of section 9; or

**Section 45.— Power to make rules.—.....**

(3) Rules made under this section shall be subject to the condition of previous publication.