



LEGISLATIVE ASSEMBLY OF THE STATE OF GOA

The Goa Tax on Luxuries (Amendment) Bill, 2004

(Bill No. 15 of 2004)

^{AS}
~~to be~~ introduced in the Legislative Assembly of the State of Goa)

GOA LEGISLATURE SECRETARIAT
ASSEMBLY HALL, PORVORIM, GOA
FEBRUARY, 2004

The Goa Tax on Luxuries (Amendment) Bill, 2004

(Bill No. 15 of 2004)

A

BILL

further to amend the Goa Tax on Luxuries Act, 1988 (Act 17 of 1988).

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

1. *Short title and commencement.*— (1) This Act may be called the Goa Tax on Luxuries (Amendment) Act, 2004.

(2) It shall come into force with effect from the 1st day of April, 2004.

2. *Amendment of section 5.*— In section 5 of the Goa Tax on Luxuries Act, 1988 (Act 17 of 1988), for sub-section (2), the following sub-section shall be substituted, namely:—

“(2) There shall be levied a tax on the turnover of receipts at the following rates, namely:—

<i>Category of Hotels</i>	<i>Rate of tax</i>
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(I) Category 'A'

20	(a) Where the hotel is classified or recognized as three star and above by the Directorate of Tourism, Government of India.	10% of the charge per day of luxury provided.
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<i>Category of Hotels</i>	<i>Rate of tax</i>	
(b) Where the hotel is located in 'A' grade municipal area or in Coastal Village as defined in the Goa Sales Tax Act, 1964 (Act 4 of 1964), including Time Sharing/Rent Back Accommodation, having swimming pool.	10% of the charge per day of luxury provided.	5
(c) Where the hotel is classified as 'A' or 'B' grade under the Goa, Daman and Diu Registration of Tourist Trade Act, 1982 (Act No.10 of 1982), and having swimming pool.	10% of the charge per day of luxury provided.	10
(II) <u>Category 'B'</u>		
All other hotels not covered by Category 'A' above.	3% of the charge per day of luxury provided.	20
Note:— Where the luxuries provided in a hotel are under Timeshare Agreement or under Package Deal Agreement or under any such system, other than those covered by Category 'A' above, the rate of tax for the charge of the luxuries provided shall be in accordance with Category 'B' above.		25
Provided that where the charges are levied otherwise than on daily basis, then the charges for determining the tax liability under this section shall be computed proportionately for a day and based on the total period of occupation of the accommodation for which the charges are made."		30
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Statement of Objects and Reasons

The Bill seeks to amend sub-section (2) of section 5 of the Goa Tax on Luxuries Act, 1988 (Act 17 of 1988), so as to rationalize the luxury tax structure as per the proposal contained in the Budget Speech for the year 2004-05.

This Bill seeks to achieve the above objects.

Financial Memorandum

No financial implications are involved in this Bill since no additional expenditure will be incurred on account of the proposed amendment.

Memorandum Regarding Delegated Legislation

No delegated legislation is envisaged in this Bill.

Porvorim-Goa,
19th February, 2004.

MANOHAR PARRIKAR
Chief Minister

Assembly Hall,
Porvorim-Goa,
19th February, 2004.

S. A. NARVEKAR
Secretary (Legislature)

Governor's Recommendation under Article 207 of the Constitution

In pursuance of article 207 of the Constitution of India, I, Kidar Nath Sahani, the Governor of Goa, hereby recommend to the Legislative Assembly of Goa the introduction and consideration of the Goa Tax on Luxuries (Amendment) Bill, 2004.

KIDAR NATH SAHANI
Governor

ANNEXURE

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

Section 5

5. Incidence and levy of tax.

- (1) Subject to the provisions of this Act and the Rules made thereunder, there shall be levied a tax on the turnover of receipts of a hotelier.
- (2) There shall be levied a tax on the turnover of receipts at the following rates, namely
 - (a) Where the charge for luxury provided in a hotel exceeds Rs.1500/- 8% of the charge per day of luxury provided
 - (b) where the hotel providing of luxury is classified or recognized as Three Star and above by the Department of Tourism, Government of India. 8% of the charge per day luxury provided.
 - (c) In any other cases. 5% of the charge per day of luxury provided.

NOTE: Where the luxuries provided in a hotel are under Timeshare Agreement or under Package Deal Agreement or under any such system, the rate of tax for the charge of the luxuries provided shall be in accordance with clause (c) above.

Provided that where the charges are levied otherwise than on daily basis, then the charges for determining the tax liability under this section shall be computed proportionately for a day and based on the total period of occupation of the accommodation for which the charges are made.

- (3) Where in addition to the charges for luxury provided in a hotel, service charges are levied and appropriated by the hotelier and not paid to the staff, then such charges shall be deemed to be part of the charges for luxury provided in the hotel.
- (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 luxury were paid to the hotelier.
- (5) The tax shall not be levied and payable in respect of the turnover of receipts for supply of food and drinks, on the sale of which the hotelier is liable to pay sales tax under the Goa Sales Tax Act, 1964 (Act 4 of 1964).
- (6) For the purposes of this Act, tax collected separately by the hotelier shall not be considered to be part of the receipt of the turnover of receipts of the hotelier.