



LEGISLATIVE ASSEMBLY OF THE STATE OF GOA

**THE GOA TAX ON INFRASTRUCTURE
(SECOND)(AMENDMENT) BILL, 2008**

(Bill No. 28 of 2008)

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

**GOA LEGISLATURE SECRETARIAT
ASSEMBLY HALL, PORVORIM, GOA
AUGUST, 2008.**

THE GOA TAX ON INFRASTRUCTURE
(SECOND)(AMENDMENT) BILL, 2008

(BILL No. 28 OF 2008)

A

BILL

further to amend the Goa Tax on Infrastructure Act, 1997 (Act 12 of 1997).

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

1. *Short title and commencement.*— (1) This Act may be called the Goa Tax on Infrastructure (SECOND) (Amendment) Act, 2008.

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

15 2. *Amendment of section 2.*— In section 2 of the Goa Tax on Infrastructure Act, 1997 (Goa Act 12 of 1997) (hereinafter referred to as the "principal Act"),—

(i) before clause (2), the following clause shall be inserted, namely:-

20 "(1) "Commercial building or 'non residential building" means any building or structure consisting of shop, store-room or office premises, either on the ground floor or any other floor, used wholly or partly for

business activities but does not include multi-dwelling building or industrial building;"

(ii) in clause (6),—

(a) for the expression, "Commercial or office premises", the word "purpose" shall be substituted. 5

(b) after the words "for educational institutions," the expression "Orphanages, old age homes, homes for spastic/retarded children" shall be inserted. 10

3. *Amendment of section 3.*— For section 3 of the principal Act, the following section shall be substituted, namely:-

"3. *Tax on Infrastructure.*— (1) Any person who has constructed a multi-dwelling building, in respect of which the construction licence has been issued on or after 1-4-2008 shall, before grant of permission for occupation or use of such building, or part thereof, be liable to pay a tax at the rate of rupees fifty per square meter of the floor area of such building as infrastructure tax. 15 20

(2) Any person who has constructed a commercial building or an industrial building or a non-residential building, in respect of which the construction licence has been issued on or after 1-4-2008 shall, before grant of permission for occupation or use of such building or part thereof, be liable to pay a tax at the rate of rupees hundred per square meter of the floor area of such building as infrastructure tax." 25 30

4. *Amendment of section 5.*— In section 5 of the principal Act, in sub-section (1), for the expression "industrial building", the expression "industrial building or commercial building or non-residential building" shall be substituted. 5

5. *Amendment of section 7.*— In section 7 of the principal Act, for the expression "industrial building", the expression "industrial building or commercial building or non-residential building" shall be substituted. 10

STATEMENT OF OBJECTS AND REASONS

As per section 3 of the Goa Tax on Infrastructure Act, 1997 (Act 12 of 1997) (hereinafter referred to as the "said Act"), any person who has constructed a multi-dwelling building or an industrial building, in respect of which the construction licence has been issued on or after 1/4/2006, shall, before grant of permission for occupation or use of such building, be liable to pay a tax at the rate of rupees forty per square meter of the floor area of such building as infrastructure tax. The infrastructure tax being collected at present is only a meagre amount compared to the infrastructure required to be provided by the Government in the towns and country side. There is a need to enhance the rates further to finance the infrastructural requirements being provided by the Government and for that purpose the Bill seeks to amend section 3 of the said Act so as to levy infrastructure tax at the rate of Rs. 50/- per square meter of floor area of the multi-dwelling building and Rs. 100/- per square meter of floor area of the Commercial building, non-residential building and industrial building. The Bill also seeks to amend clause (6) of section 2 of the said Act so as to exempt buildings constructed for use as orphanages, old age homes, homes for spastic/retarded children from purview of infrastructure tax.

Amendment to sections, 5 and 7 are consequential in nature.

This Bill seeks to achieve the above objects.

FINANCIAL MEMORANDUM

The said Act is being implemented through certain Officers empowered to collect the tax. As no special machinery is required to be appointed for this purpose, no financial expenditure is involved while implementing the Act. It is not possible to make any accurate estimate about the revenue generation at this stage, as the number of multi-dwelling buildings, commercial buildings, industrial buildings and non-residential buildings being constructed is presently not readily available. However, on an average, an additional amount of about Rs. 100 lakhs will be generated by virtue of increase in the rate of infrastructure tax from Rs. 40 per square meter to Rs. 50/- per square meter of floor area of multi dwelling buildings and by levying Rs. 100/- per square meter of floor area of commercial buildings, non-residential buildings and industrial buildings.

Memorandum Regarding Delegated Legislation

No delegated legislation is involved in this Bill.

Panaji, Goa
8th August, 2008

DIGAMBAR KAMAT
Hon. Chief Minister

Assembly Hall,
Porvorim, Goa

R. KOTHANDARAMAN
Secretary to the Legislative
Assembly of Goa.

Governor's Recommendation under Article 207 of the Constitution

In pursuance of Article 207 of the Constitution of India, I, S.S. Sidhu, Governor of Goa, hereby recommend to the Legislative Assembly of Goa, the introduction and consideration of the Goa Tax on Infrastructure (Amendment) Bill, 2008.

ANNEXURE

Extracts of Section 2, 3, 5 & 7 of Goa Tax on Infrastructure
Act, 1997 as amended on 17/1/1998 and on 5/5/2008.

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

(1) "competent authority" means such authority or officer of the Government, as the Government may, by Notification in the Official Gazette, specify;

(2) "Government" means the Government of Goa;

(3) "local authority" means a Municipal Council constituted under the Goa Municipalities Act, 1968 (Act No. 7 of 1969) or a Panchayat constituted under the Goa Panchayat Raj Act, 1994 (Act No. 14 of 1994);

(4) "infrastructure" means the provision of potable water, electricity, and other amenities like roads, sewage system, etc;

(5) "multi-dwelling building" includes any building consisting either of a single self contained unit having built up area of more than 100 sq. mts., or more than one independent unit used for domestic, commercial or office premises but does not include building constructed for educational institutions, or by any other non-profitable organisations and such other organisations as may be notified by the Government in public interest.

3. *Tax on infrastructure.*— Any person who has constructed a multi-dwelling building in respect of which the construction licence has been issued on or after 1-4-2006, shall, before grant of permission for occupation or use of such building or part thereof, be liable to pay a tax at the rate of rupees forty per square metre of the floor area of such building as infrastructure tax.

5. *Local authority not to issue occupancy certificate.*—

(1) No local authority shall issue occupancy certificate to any multi-dwelling building or industrial building as the case may be unless the person applying for it produces a certificate from the competent authority that the tax due under this Act has been paid in respect of such building.

(2) No person shall occupy any building or part thereof unless the tax payable under this Act in respect of such building has been paid.

7. *Penalty.*— Whoever contravenes the provision of this Act shall, on conviction, be liable to imprisonment to a term not exceeding one year and also liable to pay as fine, twice the amount of tax payable under this Act in respect of the multi-dwelling building or industrial building as the case may be in respect of which the offence was committed.

Assembly Hall,
Porvorim, Goa
9th August, 2008.

R. KOTHANDARAMAN
Secretary to the Legislative
Assembly of Goa.