

THE TAMIL NADU TAX ON LUXURIES ¹[* * *] RULES, 1980

(G.O.P. No. 1032, Commercial Taxes and Religious Endowments, dated 13th October 1980)

No. SRO A-282(a) / 80.— In exercise of the powers conferred by Section 21 of the Tamil Nadu Tax on Luxuries ²[Act] 1980 (Tamil Nadu ²[Act] VII of 1980), the Governor of Tamil Nadu hereby makes the following rules :—

2.Substituted for the word "ordinance" by Notification No. SRO A-139/82.

1. Short title and commencement.— (1) These rules may be called the Tamil Nadu Tax on Luxuries ¹[** *] Rules, 1980.

1.The expression "in Hotels and Lodging Houses" was omitted by No. SRO A-71(b)/99, dated 30th September, 1999.

(2) They shall come into force at once.

2. Definitions.—³[(1) In these rules, unless the context otherwise requires,—

3.Substituted by Notification No. SRO A-139/82.

(a) "**Act**" means the Tamil Nadu Tax on Luxuries ¹[***] Act, 1981 (Tamil Nadu Act VI of 1981) ;

1 The expression "in Hotels and Lodging Houses" was omitted by No. SRO A-71(b)/99 dated 30th September, 1999.

(b) "**Section**" means a section of the Act ;

(c) "**Month**" means a calendar month ;

(2) Words and expressions used but not defined in these rules shall have the meaning respectively assigned to them in the Act]

3. Maintenance of accounts.— (1) Every proprietor of a hotel shall maintain,—

(a) information of the luxury provided and the tariff therefor in his hotel, in Form I ;

(b) daily account of occupation of lodging accommodation in his hotel and collection of tax therefor, in Form II ; and

(c) monthly abstract of collection and remittance of tax, in Form III.

(2) ²[The proprietor of a hotel] shall maintain a separate register for each of these forms, and shall get each of the pages of such register numbered, sealed and certified by the assessing authority, or any officer duly authorised by it in this behalf.

2 The expression "proprietor" was substituted by the expression "proprietor of a hotel" by No. SRO A-71(b)/99, dated 30th September, 1999.

³/(3) Every tobacconist shall keep and maintain true and complete accounts of tobacco products together with supporting documents such as invoices, challans, advice or other documents of similar nature.

3 Sub-rules (3) to (7) were added by No. SRO A-71(b)/99, dated 30th September, 1999

(4) Each and every receipt and every supply, removal, despatch of stock of tobacco products shall be brought to account then and there.

(5) In the case of manufacturer of tobacco products, books of accounts and documents to be maintained for the purpose shall be as prescribed under the Central Excise Rules, 1944.

(6) In the case of importers of tobacco products whether on outright purchase or by way of inward stock transfer or on receipt for sale on behalf of other suppliers either outside the State or inside the State, such tobacconist shall maintain day-to-day stock account in respect of each variety of tobacco products dealt with by him. The day-to-day stock account shall contain particulars in terms of quantity and value, in respect of—

(i) Opening stock ;

(ii) Receipts in respect of imports of tobacco products either by way of outright purchase or by inward

stock transfers or by any such other nature ;•

(iii) Despatches either by supply by way of sales, removals, or by any such other nature ; and

(iv) Closing balance of stock.

(7) Every proprietor shall maintain an upto-date true, correct and complete account either in Tamil or in English and sale. adopt international numerals ;]

4. Proprietor to issue bill.— (1) ¹[Every proprietor of a hotel] liable to pay tax under the ²[Act] shall issue a bill or cash memorandum in respect of the charges for accommodation for residence collected by him. Such bill or cash memorandum, shall contain the particulars regarding the full name and address of the person, ³[Period of stay, the charges separately for] —

(i) accommodation for residence (including charges for air-conditioning, television, radio, music, extra beds and the like) ;

(ii) food and drink ; and

(iii) telephone calls and the amount of tax collected.

1 In sub-rule (1) of Rule 4 the expression "Every proprietor" was substituted as "Every proprietor of a hotel" by No. SRO A-71(b)/99, dated 30th October, 1999.

2 Substituted for the words "Ordinance" Notification No. SRO A-139/82.

3 Substituted for the words "period of stay, the charges separately for Notification No. SRO A-70/82.

(2) ⁴[Every proprietor] of a hotel shall keep printed bill books or cash memoranda, the pages of which shall have printed serial numbers and shall be affixed with the seal of the assessing authority.

4 The expression "Every proprietor" was substituted by the expression "Every proprietor of a hotel" by No. SROA - 71 (b)/99 dated 30th September, 1999.

[⁵(2-A)} The Commissioner of Commercial Taxes may, by general or special order, exempt, subject to such conditions, if any, as may be specified in the order, ⁶(any proprietor of a hotel] from getting the seal of the assessing authority affixed on the printed bill books or cash memoranda :

5 Added by Notification No. SRO A-22/83, dated 21st September, 1983.

6 In sub-rule (2-A) of Rule 4, the expression "any proprietor" is required to be substituted as "any proprietor of a hotel". But the amendment was not notified in No. SRO A-71(b)/99, dated 30th September, 1999.

Provided that no order under this sub-rule shall be made unless the reasons for so doing are recorded in writing.

(2-B) The Commissioner of Commercial Taxes may at any time for good and sufficient reason by an order cancel any exemption granted under sub-rule (2-A) :

Provided that no order under this sub-rule, shall be made unless the proprietor of a hotel shall be given a reasonable opportunity of being heard.]

(3) ¹[Every proprietor of a hotel] shall keep a stock register showing the serial numbers of bills or cash memoranda got sealed by the assessing authority and the serial numbers of bills or cash memoranda issued during each month.

1.The expression "Every proprietor" was substituted by the expression "Every proprietor of a hotel" by No. SRO A-71 (b) / 99, dated 30th Sep. 1999.

²[(4) '[Every proprietor of a hotel] shall display a notice board in conspicuous place of his hotel (reception room or the place where the rent for accommodation is collected, as the case may be) giving both the season and off-season rates of charges for different types of accommodation for residence provided in the hotel.]

2.Added by Notification No. SRO. A-9/96, dated 24th January, 1996.

¹[(5) Every tobacconist shall issue a bill or cash memorandum in respect of charges for supply of tobacco products. Such a bill or cash memorandum shall be serially machine numbered for each year and shall contain the full name and address of the person to whom such tobacco products are supplied, the price of each such tobacco products so supplied and the tax under Section 4-B collected thereon.]

1 Sub-rule (5) of Rule 4 was added by No. SRO A-71 (b) / 99 dated 30th September,, 1999.

5. Returns.— (1) ²[Every proprietor of a hotel] shall submit a return in Forms I, II and III maintained by him under Rule 3 to the assessing authority within the period specified in Section 6. The particulars relating to each type or class of accommodation or luxury provided in a hotel for which different rates are charged shall be furnished separately in the return against the type or class. The return shall be accompanied by a working sheet showing the computation of the tax due at different rates and the particulars required for determination of the tax due at the different rates and the particulars required for determination of the tax under the proviso to sub-section (1) of Section 4 and ³[sub-sections (1) to (3) of Section 5]

2 The expression "every proprietor" was substituted by the expression "every proprietor of a hotel" by No. SRO A-71 (b) / 99, dated 30th Sep. 1999.

3 Substituted for the words "sub-section (1) to (4) of Section 5 by Notification No. SRO A-156/86.

(2) The assessing authority may verify the returns from the registers maintained under Rule 3.

(3) In the case of a hotel having more than one place of business the returns in Forms I, II and III shall be submitted separately in respect of each such place of

business to the assessing authority having jurisdiction over each such place of business and each such place shall be assessed separately.

¹[(4) The taxes or other amounts due under the Act

shall be paid,—

(i) by remittance in cash into a Government Treasury or to the Assessing Authority or other Officer empowered to make the demand or authorised to make the collection ; or

(ii) by Inland Money Order (Sales tax) in favour of the Sub-Treasury Officer or the Treasury Officer concerned ; or

(iii) by means of a crossed cheque in favour of the Officer concerned, drawn on banks as provided for in the Tamil Nadu Treasury Code ; or

(iv) by means of a crossed Demand Draft or crossed Postal Order drawn in favour of the officer concerned :

Provided that the method of payment by cheque shall not be applicable to any payment made after the date on which such payment has become due.]

1. Substituted by the Notification No. SRO A-156/86.

²[(5) If no return is submitted in respect of any month on or before the date specified in sub-rule (1) or if the return submitted appears to be incorrect or incomplete the assessing authority shall, after making such enquiry as he considers necessary and after giving a reasonable opportunity to the proprietor, determine the charges for the accommodation for the residence to the best of his judgment and provisionally assess the tax or taxes payable for the month and shall serve upon the proprietor a notice in Form XI and the proprietor shall pay the sum demanded at the time and in the manner specified in the notice.]

2. Added by Notification No. SRO .A-156/86.

¹[(6) Every tobacconist liable to pay tax under the Act shall furnish a return in Form III-A to the assessing authority within the period specified in Section 6 :

Provided that in the case of tobacconist, having more than one place of business in the State, he shall include the complete details of turnover relating to such additional places in the return which he is required to furnish to

the assessing authority. Copy of such return shall be furnished to the assessing authority having jurisdiction over the place of his business or such additional place or places of his business :

Provided further that a return in Form III-A for the period commencing on the 10th June, 1999 and ending with the period on the 30th September, 1999 shall be furnished on or before the 20th October, 1999 along with proof for the payment of the full amount of tax declared as payable.

1 Sub-rules (6) to (9) of Rule 5 were added by No. SRO A-71(b) / 99, dated 30th September, 1999.

(7) The assessing authority shall —

(a) if no return is furnished by the tobacconist on or before the date specified in sub-rule (6) after making such enquiry as he considers necessary ; or

(b) if the return furnished under sub-rule (6) appears to be incorrect or incomplete, issue a notice calling upon him to produce his accounts, registers or other documents of evidence and prove the correctness and completeness of the returns at a time and place to be specified in the notice. If the tobacconist fails to comply with the terms of the notice or if the return is found to be incorrect or incomplete, after such verification after giving him an opportunity of being heard, determine the turnover of receipts to the best of his judgment and assess the tax payable for the month. The tax payable as determined above, shall be paid within the time and in the manner specified in Form XI.

(8) Every tobacconist who discontinues his business during the course of the year in which he is assessed, shall, submit to the assessing authority within thirty days of such discontinuance, a return in Form III-A in the manner prescribed in sub-rule (6) for the month in which his business was discontinued :

Provided that a return due under this sub-rule in respect of discontinuance of business on or after 10th June, 1999 and on or before 30th September, 1999 to the publication of this Rule shall be submitted to the assessing

authority within 30 days from the 1st October, 1999.

(9) (a) Every tobacconist who claims exemption on supply tobacco products by way of consignment to another State, whether the consignment is to himself or to any other person, shall produce a certificate issued by the receiver at the other end, certifying the receipt of quantum of tobacco products, in evidence of despatches to other State, supported by despatch advice and Lorry Receipt / Railway Receipt with original copies furnished to the Tobacconist by the transporters ;

(b) Every tobacconist, who claims exemption on the supply of tobacco products by way of sale in the course of inter-state trade or commerce or by export shall produce the records relating to the supply in the form of sale invoices, Lorry Receipt / Railway Receipt and Bill of lading and other related records for examination.]

'[6. **Procedure for assessment.**— (1) After the completion of the year, in which the tax due has been determined under sub-rule (1) or (6) of Rule 5, or in the

1 Rule 6, indicated below was substituted by No. SRO A-71(b)/99, dated 30th September, 1999 :—

6. Procedure for assessment.— (1) Before making an assessment under ²[sub-section (2) of Section 7], the assessing authority shall issue a notice to the proprietor calling upon him to produce his accounts and other records to prove the correctness and completeness of the return filed by him. The notice shall mention the place, date and time for the production of the accounts and records. If, after scrutiny of the accounts and records produced by the proprietor and after taking into account all relevant materials gathered by the assessing authority such authority finds that the tax payable by the proprietor is higher than the amount of tax admitted in the return, it shall, after giving an opportunity to the proprietor of being heard, assess the tax payable and serve upon the proprietor an order of assessment.

2 Substituted for the words "clause (b) of sub-section (2) of Section 7" by Notification No. SRO A-156/86.

³[(2) * * *]

3 Omitted by Notification No. SRO A 156/86.

⁴[(3) The order of assessment made under sub-section (1) or of assessment or re-assessment made under sub-section (2) of Section 7 shall be served on the proprietor. If any amount is found to be due from the proprietor after deducting the tax already paid, the assessing authority shall serve upon him a notice of demand in Form IV)

4 Substituted by Notification No. SRO A-156/86.

(4) If the tax determined under ⁵[sub-rule (1)] is less than the tax already paid by the proprietor, the excess amount shall be adjusted towards the arrears of tax, if any, due from him and, a notice in Form V, shall be issued intimating such adjustment. If, after such adjustment, there is still an excess, or if no arrears of tax are due from the proprietor, the excess amount shall be refunded to the proprietor along with a notice in Form V.)

5 Substituted for the words "sub-rule (1) or (2)" by Notification No. SRO A-156/86.

course of the year to which a return furnished under sub-rule (8) relates, the assessing authority shall issue a notice to the proprietor calling upon him to produce his accounts and other records to prove the correctness and completeness of the returns furnished by him. The notice shall specify the place, date and time for the production of the accounts and records. After the scrutiny of the accounts and records produced by the proprietor and after taking into account all relevant materials gathered by the assessing authority, he shall finally assess the dealer on the basis of the returns, the tax payable for the year to which the returns relate :

Provided that if no return or returns has or have been furnished by the proprietor as required under sub-rule (1) of (6) or (9) of rule 5 or if any return or returns furnished by him appear to the assessing authority to be incorrect or incomplete, the assessing authority shall, after making such enquiry as he considers necessary, and after giving a reasonable opportunity to the proprietor, determine the turnover to the best of his judgment and finally assess the tax payable under Section 4 of 4-B.

(2) The order of assessment made under sub-section (1) of Section 7, shall be served on the proprietor. If any amount is found to be due from the proprietor after deducting the tax already paid, the assessing authority shall serve upon him a notice in Form IV. The proprietor shall pay the sum within such time and such manner as may be specified in the notice.

(3) If the tax determined under sub-section (1) or (2) of the said section is less than the tax already paid by the proprietor, the excess amount shall be adjusted towards the arrears of tax, if any, due from him and a notice in Form V shall be issued intimating such adjustments. If, after such adjustments there is still an excess, or if no arrears of tax are due from the proprietor, the excess amount shall be refunded to the proprietor along with a notice in Form V.

(4) Where for any reason the tax payable under the Act has escaped assessment or has been under assessed or assessed too low a rate in any year, the assessing authority may revise the assessment after issuing a notice to the proprietor and after making such enquiry as he considers necessary within a period of five years from the expiry of the year to which the assessment relate.]

7. Appeals and revisions.— (1) Every appeal under Section 10 shall be in Form VI and shall be verified in the manner specified therein. It shall be in duplicate and shall be accompanied by the order appealed against in original or by a certified copy thereof.

(2) The memorandum of appeal shall either be presented in person or to the appellate authority by the appellant or his agent or sent by registered post.

(3) If the appellate authority finds any defects or omissions in the appeal, it shall return the appeal for rectification of the defects or for supplying the omissions and re-presentation within ten days - from the date of receipt by the appellant:

Provided that where the appeal is re-presented after the expiry of ten days, the appellate authority may admit such appeal, if it is satisfied that the appellant had sufficient cause for not re-presenting the appeal within the said period.

(4) In disposing of an appeal, the appellate authority shall, after giving the appellant reasonable opportunity of being heard pass such orders as such authority thinks fit subject to the provisions of Section 10.

(5) Every application for revision under Section 11

shall be in Form VII and shall be verified in the manner specified therein. It shall be in duplicate and shall be accompanied by the original order against which it is filed or by a certified copy thereof.

(6) If the revisional authority finds any defects or corrections in the revision petition, it shall return the petition for rectification of the defects or for supplying the omissions and re-presentation within ten days from the date of receipt of the petition :

Provided that where the revision petition is re-presented after the expiry of ten days, the revisional authority may admit such petition if it is satisfied that the petitioner had sufficient cause for not re-presenting the revision petition within the said period.

(7) If an appellant or a revision petitioner dies while the proceedings under Section 10 or Section 11, as the case may be, is pending and such proceedings cannot be proceeded with unless the legal representative of the appellant or revision petitioner, as the case may be, is brought on record, the appellate authority or the revisional authority, as the case may be, shall adjourn further proceedings to enable the legal representative of the deceased appellant or revision petitioner, as the case may be, to appear and apply for being made a party in the said proceedings. If the legal representative fails to do so within ninety days from the date on which the appellant or revision petitioner, as the case may be, dies, the appeal or the revision petition as the case may be, shall abate as regards the deceased.

(8) Every order of an appellate or revision authority under Section 10 or Section 11, as the case may be, shall be communicated to the appellant or petitioner, to any other party affected by the order, to the assessing authority against whose order the appeal was filed and also to any other authority concerned.

(9) Any order to be communicated under this rule may be communicated —

(i) by service on the person concerned or his

authorised representative ;

(ii) by registered Post acknowledgment due ; or

(iii) by affixing a copy thereof at some conspicuous place at the hotel or residence or the proprietor liable to pay tax, if service by the first two methods is not possible.

(10) The order passed on appeal or revision shall be given effect to by the assessing authority who shall refund without interest, within three months from the date of communication of the order, any excess tax found to have been collected and for this purpose shall serve upon the proprietor a notice in Form V-A notifying the proprietor of the adjustment of excess tax towards arrears, if any, or if there are no arrears of tax due under the Act from the proprietor, or if, after such adjustment, there is still an excess, the assessing authority shall refund the amount of excess tax and along with such notice, he shall also send the proprietor a voucher for claiming refund of the amount without interest from the treasury. If any amount is found to be due from the proprietor, the assessing authority shall serve upon the proprietor a notice in Form VIII and the proprietor shall pay the sum demanded in the manner specified in the notice.

¹**8. Service of notice.**— The service of any notice, summons, or order under the Act or these Rules may be effected in any of the following ways, namely :—

(a) by giving or tendering it to such proprietor or his manager or the agent or the legal practitioner appointed to represent him or to his authorised representative ; or

(b) if such proprietor or his manager or agent or the legal practitioner appointed to represent him, or his authorised representative is not found, by giving or tendering it to any adult member of his family ; or

(c) if the address of such proprietor is known to the assessing authority, by sending it to him by registered post ; or

(d) if none of the modes aforesaid is practicable, by affixing it in some conspicuous place at his last known place of business or residence.

71(b) / 99, dated 30th September, 1999.

8. Service of notices.— Every notice under the provisions of the Act may be served by Registered Post or by delivering or tendering to his agent or by affixing a copy thereof at some conspicuous part, of the last known place of business or residence of the proprietor liable to pay tax under the Act.

Explanation.— Endorsement by person who delivers the notice, etc., of having tendered or given it will be proof for the purpose of this rule.]

9. Court fees.— Every appeal under Section 10 shall bear Court-fee stamp to the value of rupees five. Every revision petition under Section 11 shall bear court-fee stamp to the value of rupees ten.

¹[10. Registration.— (1) Every proprietor of a hotel or a tobacconist, who is liable to register under the Act, shall

1 Rule 10 indicated below was substituted by No. SRO A-71(b) / 99, dated 30th September, 1999.

'10. Application for registration.— (1) Every proprietor carrying on business before the commencement of the Act., or commencing business after the commencement of the Act, whose rate of charges for accommodation for residence per room per day is not less than Rs. 40 shall submit to the assessing authority of the area in which such hotel lies, an application for registration in Form IX, within thirty days of the coming into force of the Act or commencement of the business, as the case may be.

(2) Every application for registration shall be accompanied by proof of payment of rupees one hundred only.

(3) The assessing authority shall, on receiving the application in Form IX, verify the correctness of the information furnished in the application and make such enquiry, or cause such enquiry to be made as it may consider necessary, and after satisfying itself that the application is in order, shall issue within thirty days from the date of receipt of application, a certificate of registration in Form X.

(4) Every proprietor shall until his registration is cancelled pay the fees of rupees one hundred specified in sub-rule (2) for every year subsequent to that in which he applied for registration, within thirty days of commencement of the year for which the registration has to be

renewed.

(5) The registration certificate issued under the Act, shall not be sold or transferred.

(6) Where a proprietor transfers his business to another, the transferee shall apply for a fresh certificate of registration on payment of the prescribed fee. The assessing authority shall issue the certificate of registration after following the procedure laid down in sub-rule (3).

(7) If the assessing authority is satisfied that a registration certificate or a copy thereof is lost or accidentally destroyed, it shall on an application by the proprietor, accompanied by a fee of Re. 1, issue to him a duplicate of the registration certificate.

1 Added by Notification No. SRO A-156/86.

apply for registration in Form IX-A to the assessing authority within thirty days of the commencement of business :

' Provided that the tobacconist carrying on business on the 10th June, 1999 or before the 1st October, 1999, shall apply for registration to the assessing authority within thirty days from the 1st October, 1999.

(2)(a) Every such application in the case of proprietor of a hotel, shall be in Form IX and shall be accompanied by proof of payment of the registration fee as prescribed in sub-section (1) of Section 9-A of the Act.

(b) Every such application in the case of tobacconist, shall be in Form IX-A and shall be accompanied by proof of payment of registration fee as specified in Section 9-A of the Act.

(c) Every application for registration made under clauses (a) and (b) above shall be accompanied by two copies of recent passport size photographs of the person, signing and verifying the application for registration. The person so furnishing the photograph shall, when called upon to do so, appear before the assessing authority and sign before him on the copies of the photographs so furnished.

(3) The assessing authority shall, on receiving the application for registration, verify the correctness of the information furnished therein and make such enquiry, or cause such enquiry to be made as he may consider

necessary and after satisfying himself that the application is in order, shall issue within thirty days of receipt of the application, a certificate of registration in Form X or X-A, as the case may be.

(4) Every proprietor shall until his registration is cancelled, pay the fee specified under sub-section (1) or (1-A) of Section 9-A for every year, subsequent to the year to which he applied for registration within thirty days of commencement of the year for which the registration has to be renewed.

(5) The registration certificate issued under the Act, shall not be sold or transferred.

(6) Where a proprietor transfers his business to another, the transferee shall apply for a fresh certificate of registration on payment of the prescribed fee. The assessing authority shall issue the certificate of registration after following the procedure laid down in sub-rule (3).

(7) If the assessing authority is satisfied that a registration certificate or a copy thereof is lost or accidentally destroyed, he shall on an application by the proprietor accompanied by a fee of Rs. 25 (Rupees twenty five only) issue to him duplicate of the registration certificate.]

[11. **Declaration in Form XII to be issued by the partners.**— Every firm consisting of partners shall, at the

1 Rule 11 indicated below was substituted by No. SRO A-71(b) / 99, dated 30th September, 1999.

11. Declaration in Form XII to be Issued by the partners.— Even firm consisting of partners shall, at the time of submitting the application for registration under Section 9-A of the Act and every proprietor entering into or forming a new partnership in regard to his business shall, within thirty days of such event happening, send to the assessing authority and if the firm or proprietor has more than one place of business also to the assessing authority having jurisdiction over each such place of business, a declaration in Form XII, signed by all the partners stating their names and

addresses of all the partners and their respective shares in the business. If a partner retires from the partnership without being dissolved thereby, he shall send to the assessing authority and if the firm or proprietor has more than one place of business, also to the assessing authority in whose jurisdiction the firm or proprietor has a place of business, a declaration in Form XIII, within thirty days of his retirement. Every partner shall be jointly and severally responsible for the payment of the tax, fee or any other amount leviable under the Act.

time of submitting the application for Registration under Section 9-A, of the Act and every partner entering into or forming a new partnership shall, within thirty days of such event happening, send to the assessing authority, having jurisdiction over the place of business, a declaration in Form XII, duly signed by all the partners specifying their names and addresses and their respective shares in the business. If a partner retires from the partnership without being dissolved thereby, he shall send to the assessing authority in whose jurisdiction, the firm has been registered under Section 9-A, a declaration in Form XIII, within thirty days of his retirement. Every partner shall be jointly and severally responsible for the payment of the tax, penalty or fee or any other amount leviable under the Act.]

12. Appointment of manager.— (1) Every proprietor who is liable for registration under Section 9-A of the Act and who is an undivided Hindu family, an association or a firm or who carries on business as the guardian or trustee or otherwise on behalf of another person shall within the period specified in Rule 10, send to the assessing authority and if the proprietor has more than one place of business, also to the assessing authority in whose area of jurisdiction the proprietor has a place of business, a declaration in Form XIV, stating the name of the person who shall be deemed to be the manager of such proprietor's business for the purposes of the Act. All statements and return submitted by such manager shall be binding on the proprietor. Such declaration may be revised from time to time.

