
L.A. BILL No. XLI OF 2007.

A BILL

further to amend the Bombay Motor Vehicles Tax Act, 1958; the Bombay Motor Vehicles (Taxation of Passengers) Act, 1958; the Maharashtra Education and Employment Guarantee (Cess) Act, 1962; the Maharashtra Tax on Sale of Electricity Act, 1963; the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975; the Maharashtra Tax Acts (Amendment) Act, 1975 and the Maharashtra Employment Guarantee Act, 1977; and to repeal the Bombay State Scarcity Relief Fund Act, 1958.

WHEREAS it is expedient further to amend the Bombay Motor Vehicles Tax Act, 1958; the Bombay Motor Vehicles (Taxation of Passengers) Act, 1958; the Maharashtra Education and Employment Guarantee (Cess) Act, 1962; the Maharashtra Tax on Sale of Electricity Act, 1963; the Maharashtra State Tax on Professions, Trades Callings and Employments Act, 1975; the Maharashtra Tax Acts (Amendment) Act, 1975 and the Maharashtra Employment Guarantee Act, 1977; and to repeal the Bombay State Scarcity Relief Fund Act, 1958, with a view to abolish the funds established and maintained under the said Acts; it is hereby enacted in the Fifty-eighth Year of the Republic of India as follows :—

Bom LXV of 1958.
Bom LXVII of 1958.
Mah. XXVII of 1962.
Mah. XXI of 1963.
Mah XVI of 1975.
Mah XVII of 1975.
Mah XX of 1978.
Bom LXXXIII of 1958.

CHAPTER I

PRELIMINARY

Short title.

1. This Act may be called the Bombay Motor Vehicles Tax, the Motor Vehicles (Taxation of Passengers), the Maharashtra Education and Employment Guarantee (Cess), the Tax on Sale of

Electricity, the State Tax on Professions, Trades, Callings and Employments, the Tax Acts (Amendment) and the Employment Guarantee (Amendment) and the Bombay State Scarcity Relief Fund (Repeal) Act, 2007.

CHAPTER II
AMENDMENTS TO THE
BOMBAY MOTOR VEHICLES TAX ACT, 1958.

Amendment of section 11 of Bom LXV of 1958. **2.** In section 11 of the Bombay Motor Vehicles Tax Act, 1958 (hereinafter, in this Chapter, referred to as “the Motor Vehicles Tax Act”), —

Bom LXV of 1958.

(a) sub-sections (1), (4) and (5) shall be deleted;

(b) *Explanation* shall be deleted.

Amendment of Section 23 of Bom LXV of 1958. **3.** In section 23 of the Motor Vehicles Tax Act, in sub-section (2), in clause (g), the words “and the manner in which the amount standing to the credit of the State Road Fund shall be expended under that section” shall be deleted.

CHAPTER III
AMENDMENT TO THE BOMBAY MOTOR VEHICLES
(TAXATION OF PASSENGERS) ACT, 1958.

Deletion of section 5A of Bom LXVII of 1958. **4.** Section 5A of the Bombay Motor Vehicles (Taxation of Passengers) Act, 1958 shall be deleted.

Bom LXVII of 1958.

CHAPTER IV
REPEAL OF THE
BOMBAY STATE SCARCITY RELIEF FUND ACT, 1958.

Repeal of Bom LXXXIII of 1958. **5.** The Bombay State Scarcity Relief Fund Act, 1958 is hereby repealed.

Bom LXXXIII of 1958.

CHAPTER V
AMENDMENTS TO THE MAHARASHTRA EDUCATION AND
EMPLOYMENT GUARANTEE (CESS) ACT, 1962.

Amendment to the heading of Chapter II of Mah XXVII of 1962. **6.** In Chapter II of the Maharashtra Education and Employment Guarantee (Cess) Act, 1962 (hereinafter, in this Chapter, referred to as “the Education and Employment Guarantee (Cess) Act”), in

Mah XXVII of 1962.

the heading, the words “*and State Education Cess Fund*” shall be deleted.

7. Section 6 of the Education and Employment Guarantee (Cess) Act shall be deleted.

Deletion of section 6 of Mah XXVII of 1962.

8. In section 26 of the Education and Employment Guarantee (Cess) Act, in sub-section (2), clause (a) shall be deleted.

Amendment of section 26 of Mah XXVII of 1962.

CHAPTER VI

AMENDMENTS TO THE MAHARASHTRA TAX ON SALE OF ELECTRICITY ACT, 1963.

Mah XXI of 1963.

9. In section 5 of the Maharashtra Tax on Sale of Electricity Act, 1963 (hereinafter, in this Chapter, referred to as “the Tax on Sale of Electricity Act”), —

Amendment of section 5 of Mah XXI of 1963.

(a) in sub-section (1), clause (b) shall be deleted;

(b) in sub-section (2), the words “and the State Electricity Fund” shall be deleted;

(c) in the marginal note, for the words “Transfer of proceeds of tax to State Electricity Fund, etc.” the words “Utilisation of proceeds of tax.” shall be substituted.

10. Section 5A of the Tax on Sale of Electricity Act shall be deleted.

Deletion of section 5A of Mah. XXI of 1963.

CHAPTER VII

AMENDMENTS TO THE MAHARASHTRA STATE TAX ON PROFESSIONS, TRADES, CALLINGS AND EMPLOYMENTS ACT, 1975.

Mah XVI of 1975.

11. In the preamble of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 (hereinafter, in this Chapter, referred to as “the Tax on Professions Act”), the words “for raising additional resources needed for implementing the Employment Guarantee Scheme of the State

Amendment of preamble of Mah XVI of 1975.

Government and to provide for establishment of the Employment Guarantee Fund" Shall be deleted

Deletion of section 30 of Mah XVI of 1975.

12. Section 30 of the Tax on Professions Act shall be deleted.

CHAPTER VIII

AMENDMENT TO THE MAHARASHTRA TAX ACTS (AMENDMENT) ACT, 1975.

Deletion of section 4 of Mah XVII of 1975.

13. Section 4 of the Maharashtra Tax Acts (Amendment) Act, 1975, shall be deleted. Mah XVII of 1975.

CHAPTER IX

AMENDMENTS TO THE MAHARASHTRA EMPLOYMENT GUARANTEE ACT, 1977.

Amendment of section 7 of Mah XX of 1978.

14. In section 7 of the Maharashtra Employment Guarantee Act, 1977 (hereinafter, in this Chapter, referred to as "the Employment Guarantee Act"), in sub-section (2), in clause (x), for the words, "shall be financed from the Employment Guarantee Fund" the words "shall be paid" shall be substituted. Mah XX of 1978.

Amendment of section 8 of Mah XX of 1978.

15. In section 8 of the Employment Guarantee Act, in sub-section (4), the words "from the Employment Guarantee Fund" shall be deleted.

Deletion of section 12 of Mah XX of 1978.

16. Section 12 of the Employment Guarantee Act shall be deleted.

Amendment of section 13 of Mah XX of 1978.

17. In section 13 of the Employment Guarantee Act,-

(a) in sub-section (2) —

(i) for the words "Scheme or Fund of the State" the words "Scheme of the State" shall be substituted;

(ii) the words "or the Fund as the case may be," shall be deleted;

(b) In the marginal note, the words "and Fund" shall be deleted.

CHAPTER X
MISCELLANEOUS

18. On the date of commencement of this Act, all the securities (including cash balances, if any) in the State Road Fund established under section 11 of the Bombay Motor Vehicles Tax Act, 1958, the Health and Nutrition Fund established under section 5A of the Bombay Motor Vehicles (Taxation of Passengers) Act, 1958, the Maharashtra State Scarcity Relief Fund established under section 3 of the Bombay State Scarcity Relief Fund Act, 1958, the State Education Cess Fund established under the Maharashtra Education and Employment Guarantee (Cess) Act, 1962, the State Electricity Fund established under section 5 of the Maharashtra Tax on Sale of Electricity Act, 1963 and the Employment Guarantee Fund established under section 12 of the Maharashtra Employment Guarantee Act, 1977, shall be deemed to be transferred to, and to form part of the Consolidated Fund of the State and shall be held in, or transferred to the name of the Secretary to the Government of Maharashtra, Finance Department.

Provision for transfer of amount standing to the credit of various funds to the Consolidated Fund of the State.

Bom LXV of 1958.
Bom LXVII of 1958.
Bom LXXXIII of 1958.
Mah XXVII of 1962.
Mah XXI of 1963.
Mah XX of 1978.

STATEMENT OF OBJECTS AND REASONS

The Government of Maharashtra, by enacting various State Acts from time to time, has provided for the establishment and maintenance of various Funds, consisting of the amount mentioned in the relevant Acts including contribution from the State Government. The amount standing to the credit of the Funds so established is required to be expended for the purposes mentioned in the statutes under which the fund is established and maintained.

2. It has been observed that the amount standing to the credit of the different Statutory Funds had remained surplus as the amount standing to the credit of the Statutory Funds can only be utilized for the purposes mentioned in the Act under which the Fund is established and maintained. The surplus amount standing to the credit of the Statutory Fund cannot be utilized for any other purposes. This has led to unnecessary increase in the revenue deficit and fiscal deficit. In Budget Estimates for the year 2007-08, Rs. 5396 crore and transferred to

various Statutory Funds is expected to be Rs 3496 crore only. This has led to unnecessary increase in revenue expenditure by Rs. 1900 crore. As per the Budget Estimates for the year 2007-08 revenue surplus has been projected to be Rs. 511 crore. This revenue surplus would have been Rs. 2411 crore if Rs. 5396 crores were not required to be transferred to the Statutory Funds and the expenditure of Rs. 3496 crore could have been made from the revenue expenditure only.

3. In order to make available the amount lying surplus in the State Road Fund, the Health and Nutrition Fund, the Maharashtra State Scarcity Relief Fund, the State Education Cess Fund, the State Electricity Fund and the Employment Guarantee Fund, the Government of Maharashtra considers it expedient to abolish all these funds by suitably amending the Bombay Motor Vehicles Tax Act, 1958; the Bombay Motor Vehicles (Taxation of Passengers) Act, 1958; the Maharashtra Education and Employment Guarantee (Cess) Act, 1962; the Maharashtra Tax on Sale of Electricity Act, 1963; the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975; the Maharashtra Tax Acts (Amendment) Act, 1975 and the Maharashtra Employment Guarantee Act, 1977; and by repealing the Bombay State Scarcity Relief Fund Act, 1958.

4. The Bill seeks to achieve the above objectives.

Mumbai,
Dated the 12th July 2007.

JAYANT PATIL
Minister for Finance

*ANNEXURE TO L A BILL NO XLI OF 2007
THE BOMBAY MOTOR VEHICLES TAX THE MOTOR VEHICLES (TAXATION OF
PASSENGERS, THE MAHARASHTRA EDUCATION AND EMPLOYMENT GUARANTEE
(CESS), THE TAX ON SALE OF ELECTRICITY, THE STATE TAX ON PROFESSIONS,
TRADES, CALLINGS AND EMPLOYMENTS, THE TAX ACTS (AMENDMENT) AND THE
EMPLOYMENT GUARANTEE (AMENDMENT) AND THE BOMBAY STATE SCARCITY
RELIEF FUND (REPEAL) BILL 2007.*

(Extracts from the Bombay Motor Vehicles Tax Act, 1958)

(Bom LXV of 1958)

1. to 10A. * * * *

Destination and
utilisation of the
proceeds of tax

11. (1) The proceeds of the tax levied under sub-section of section 3 and recovered under this Act shall first be credited to the Consolidated Fund of the State, and thereafter ten percent and sixty



five percent of the proceeds of the tax for each quarter, after deducting the expenses of collection thereof not exceeding an amount equal to five per centum of such proceeds and the amount of contribution payable to local authorities under sub-section (2) in respect of that quarter shall, under appropriation made by law in this behalf, be entered in and transferred to a separate account by law in this behalf, be entered in and transferred to a separate account called the employment Guarantee Fund and the State Road Fund.

(2) and (3) * * * *

(4) The amount standing to the credit of the State Road Fund shall be expended in the prescribed manner solely on the construction, improvement and maintenance of new and existing roads including roads vesting in, belonging to, or managed by any local authority.

(5) The amount transferred to the Employment Guarantee Fund and the State Road Fund, State Fund under sub-section (1) , and contributions made under sub-section (2), shall be charged on the Consolidated Fund of the State.

Explanation – For the purpose of sub-section (4) “road” includes the stopes berms and side drains of a road, all bridges, culverts and cause ways on or across a road and foot-ways.

12. to 22 –A * * * *

23. (1) * * * * Power to make rules

(2) In particular and without prejudice to the generality of the foregoing provision, the State Government may make rules for all or any of the following matters, namely :-

(a) to (f) * * * *

(g) to prescribe the instalments of contribution and the manner in which and the dates on which they shall be paid under section 11 and the manner in which, the amount standing to the credit of the State Road Fund shall be expended under that section

(g-i) to (o) * * * *



(3), (4) and (5)	*	*	*	*
24 and 25	*	*	*	*
SCHEDULES	*	*	*	*

[(Extracts from the Bombay Motor Vehicles)

(Taxation of Passengers) Act, 1958]

(Bom. LXVII of 1958)

1. to 5.	*	*	*	*
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Utilisation of
proceeds of tax.

5A. (1) The proceeds of the tax paid according to section 5 shall first be credited to the Consolidated fund of the State; and thereafter, such portion of the proceeds of the Tax as the State Government may from time to time notify in this behalf shall, under appropriation made by law in this behalf, be entered in and transferred to, a separate account called the Health and Nutrition Fund.

(2) The amount standing to the credit of the Health and Nutrition Fund shall be expended in the prescribed manner on programmes of nutrition for children and expectant mothers undertaken by the State Government from time to time.

(3) The amount transferred to the Health and Nutrition Fund under sub-section (1) shall be charged on the Consolidated Fund of the State.

6. to 22.	*	*	*	*
SCHEDULE.		*	*	*

[(Extracts from the Maharashtra Education and Employment Guarantee (Cess) Act, 1962)]

(Mah. XXVII of 1962)

1. and 2.	*	*	*	*
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CHAPTER II

EDUCATION CESS AND STATE EDUCATION CESS FUND

3., 4. and 5.	*	*	*	*
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6. (1) The proceeds of the education cess and penalties (not being a fine) recovered, under this Act, shall first be credited to the Consolidated Fund of the State; and, subject to the provision of this Act, after deducting the expenses of collection and recovery shall, under appreciation duly made by law in this behalf, be entered in, and transferred to, a separate fund called the State Education Cess Fund.

State Education Cess Fund.

(2) Any amount transferred to the State Education Cess Fund under sub-section (1) shall be charged on the Consolidated Fund of the State.

(3) The amount in the Fund shall be expended, in such a manner and under such conditions as may be prescribed, for the purposes mentioned in section 3.

6A. to 25. * * * *

26. (1) * * * *

Power to make rules.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matter, namely :-

(a) the manner in which and conditions under which the amount in the States Education Cess Fund shall be expended under section 6;

(b) to (f) * * * *

(3) and (4) * * * *

SCHEDULES. * * * *

(Extracts from the Maharashtra Tax on sale of Electricity Act, 1963)

(Mah. XXI of 1963)

1. to 4. * * * *

5. (1) The proceeds of the tax (together with any interest payable under section 9) recovered under this Act, shall first be credited to the Consolidated Fund of the State, and under appreciation duly made by law in this behalf,-

Transfer of proceeds of tax to State Electricity Fund etc.



(a) * * * *

(b) the remaining amount be entered in, and transferred to a separate fund called the State Electricity Fund.

(2) Any amount transferred to the Maharashtra Energy Development Agency and the State Electricity Fund under sub-section (1) shall be charged on the Consolidated Fund of the State.

Purposes for which fund may be expended.

5A. The Fund may be expended for executing schemes for development and improvement of power supply in the State and for operating rural electrification schemes therein, and in furtherance of this purpose, the State Government shall, from and out of the Fund, give subsidies or loans or ways and means advances to power utility and the Board.

[(Extracts from the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975)]

(Mah. XVI of 1975)

WHEREAS, it is expedient to provide for the levy and collection of a tax on professions, trades, callings and employments for the benefit of the state for rising additional resources needed for implementing the Employment Guarantee Scheme of the State Government and to provide for establishment of the Employment Guarantee Fund and for matter connected therewith; It is hereby enacted in the Twenty-sixth year of the republic of India as follows :—

1 to 29 * * * *

Amount equal to net proceeds of tax and matching contribution to be paid into the Fund established under the Maharashtra Employment Guarantee Act, 1977.

30. (1) The proceeds and fees recovered thereunder, shall first be credited to the Consolidated Fund of the State, and after deducting the expenses of collection and recovery as determined by the State Government and the amount of grants made to the local authorities under section 29, the remaining amount shall, under appropriation duly made by law in this behalf, be entered into, and transferred to the Employment Guarantee Fund established under the Maharashtra Employment Guarantee Act, 1977.

(2) Under appropriation duly made by law in this behalf, the State Government shall contribute annually to the Employment Guarantee Fund an amount equal to the amount transferred to that Fund under sub-section (1)

SCHEDULES. * * * *



[Extracts from the Maharashtra Tax
Acts (Amendment) Act, 1975]

(Mah. XVII of 1975)

1., 2. and 3. * * * *

4. (1) The Proceeds of the tax shall first be credited to the Consolidated Fund of the State; and subject to the provisions of the relevant Act, after deducting the expenses of collection and recovery as determined by the State Government, shall, under appropriation duly made by law in that behalf, be entered into and transferred to the Employment Guarantee Fund.

(2) Under appropriation duly made by law in this behalf, the State Government shall contribute annually to the Fund an amount equal to the amount transferred to the Fund under sub-section (1).

5. * * * *

SCHEDULES. * * * *

(Extracts from the Maharashtra Employment
Gaurantee Act, 1977)

(Mah. XX of 1978)

1. to 6. * * * *

7. (1) * * * *

(2) The Scheme shall have the following essential features : -
(i) to (ix) * * * *

(x) When works are taken up under the Scheme on private lands, which will directly benefit the holders of the lands, then, notwithstanding the fact that under the provisions of any other law, or any executive orders, for the time being in force such holders are entitle to a subsidy in respect of such works a subsidy under the Scheme, at such rates as may be prescribed, shall be financed from the Employment Guarantee Fund.

(xi) to (xvi) * * *

(3), (4) and (5) * * *



7A * * *

8. (1), (2) and (3) * *

(4) if within 15 days of the receipt of the letter for employment under the Scheme by the Samiti Officer or by the Gram Sevak or the Talathi, as the case may be, the State Government is unable to provide employment to such person under the Scheme, in the manner mentioned in sub-section (3) the person shall be entitled to receive from the Employment Guarantee Fund and unemployment allowance at such rate as may be fixed by the State Government from time to time, but not less than Re. 1 per day.

(5) to (13) * * *

9. 10 and 11. * * *

Establishment of
Employment
Guarantee Fund
and its
utilisation for
the Scheme

12. (1) On the date of commencement of this Act, a fund to be called the Employment Guarantee Fund shall be deemed to be established.

(2) Any amount standing to the credit of the Employment Guarantee Fund established under the Maharashtra State Tax on Professions, Trades Callings and Employments Act, 1975, read with the Maharashtra Tax Acts (Amendment) Act, 1975, shall stand transferred to, and from part of, the Fund deemed to be established under sub-section (1) with effect from the date of commencement of this Act.

(3) The following shall form part of, or be paid into, the Fund, namely :-

(a) the amounts transferred to the Fund under section 30 of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 and under section 4 of the Maharashtra Tax Acts (Amendment) Act, 1975, and the amounts of the matching contributions made by the State Government as laid down in the said Acts :

(b) any contributions or grants made by the State Government, the Central Government or any local authority;

(b-1) any sum received from the Central Government under section 28 of the Central Act;

(c) any sums received from other bodies or individuals, whether incorporated or not.

(4) Any amount transferred or credited to the Fund shall be charged on the Consolidated Fund of the State.

(5) Any amount standing to the credit of the Fund shall be expended in such manner and subject to such conditions as may be prescribed for the purpose of implementing the Scheme including for meeting the administrative charges and for making *ex-gratia* payments as provided under this Act.

(6) Temporary diversions of funds for utilisation on other departmental schemes or plan schemes, which have for their objective, the generation of employment or the creation of productive assets or both may be permitted by the State Government, subject to the Fund being reimbursed by such amount in the same or next financial year.

(7) The Fund shall be held and administered on behalf of the State Government by an officer not below the rank of a Secretary to the State Government, subject to such general or special directions as may be given by the State Government from time to time.

13. (1) * * * *

(2) All references in any other law or in any instruments for the time being in force to the Employment Guarantee Scheme or Fund of the State Government or in the State of Maharashtra, shall be construed as reference to the Scheme or the Fund, as the case may be, under this Act.

Amendment of certain enactments and rule of construction for references to Scheme and Fund in other laws.

14. to 17. * * * *

SCHEDULES * * * *

MAHARASHTRA LEGISLATURE SECRETARIAT

[L.A. BILL No. XLI OF 2007.]

(A Bill further to amend the Bombay Motor Vehicles Tax Act, 1958; the Bombay motor Vehicles (Taxation of Passengers) Act, 1958; the Maharashtra Education and Employment Guarantee (Cess) Act, 1962; the Maharashtra Tax on Sale of Electricity Act, 1963; the Maharashtra State Tax on Professions, trades, Callings and Employments Act, 1975; the Maharashtra Tax Acts (Amendment) Act, 1975 and the Maharashtra Employment Guarantee Act, 1977; and to repeal the Bombay State Scarcity Relief Fund Act, 1958.)

SHRI JAYANT PATIL,
Finance Minister.

ANANT KALSE,
Principal Secretary,
Maharashtra Legislative Assembly.
