

PROVISIONAL COLLECTION OF TAXES ACT, 1931

16 of 1931

[28th September, 1931]

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STATEMENT OF OBJECTS AND REASONS "The experience of the last three Delhi sessions has illustrated certain disadvantages in the present procedure as regards the Budget and the Finance Bill and, in particular has brought out the fact that the period of thirty days prescribed under S.2 of the Provisional Collection of Taxes Act, 1918, is not sufficiently long. It is, therefore, proposed to extend this period to sixty days, and also to rectify certain minor imperfections in the existing Act. Opportunity has also been taken to insert a provision in the Bill which will confine refunds of duty to the difference between the rate in force when the Bill was introduced and the rate proposed in that Bill, any further reduction imposed by the new Act taking effect only when that Act comes into operation."-Gazette of India, 1931, Part V, page 1 10.

1. Short title :-

This Act may be called The Provisional Collection of Taxes Act, 1931.

2. Definition :-

In this Act, a "declared provision" means a provision in a Bill in respect of which a declaration has been made under section 3 .

3. Power to make declarations under this Act :-

Where a Bill to be introduced in "[Parliament I on behalf of Government provides for the imposition or increase of a duty of customs or excise, the ¹ [Central Government] may cause to be inserted in the Bill a declaration that it is expedient in the public interest that any provision of the Bill relating to such imposition or increase shall have immediate effect under this Act.

1. Substituted for the words "Governor-General in Council" by A.O., 1937.

4. Effect of declarations under this Act, and duration thereof :-

(1) A declared provision shall have the force of law immediately on the expiry of the day on which the Bill containing it is introduced.

(2) A declared provision shall cease to have the force of law under the provisions of this Act-

(a) when it comes into operation as an enactment, with or without amendment, or

(b) when the a[Central Government], in pursuance of a motion passed by b[* * *] '[Parliament]. directs, by notification in the a[Official Gazette], that it shall cease to have the force of law, or

(c) if it has not already ceased to have the force of law under clause (a) or clause (b). then on the expiry of the d[seventy-fifth day I after the day on which the Bill containing it was introduced.

5. Certain refunds to be made when declarations cease to have effect :-

(1). Where a de- clared provision comes into operation as an enactment in an amended form before the expiry of the a[seventy-fifty day] after the day on which the Bill containing it was introduced, refunds shall be made of all duties collected which would not have been collected if the provision adopted in the enactment had been the declared provision : Provided that the rate at which refunds of any duty may be made under this sub-section shall not exceed the difference between the rate of such duty proposed in the declared provision and the rate of such duty in force when the Bill was introduced.

(2) Where a declared provision ceases to have the force of law under clause (b) or clause (c) of sub-section (2) of section 4 ,

refunds shall be made of all duties collected which would not have been collected if the declaration in respect of it had not been made.

6. Repeal :-

Repealed by the Repealing Act, 1938 (1 of 1938), S. 2 and Sch.]