

---

**TERMINAL TAX ON RAILWAY PASSENGERS ACT, 1956**

**69 of 1956**

**[12th December, 1956]**

CONTENTS

1. Short title, extent and commencement
2. Definitions
3. Terminal tax on passengers carried by railway from or to notified places
4. Terminal tax not to be levied within certain limits
5. Power of Central Government to vary rates of tax
6. Power of Central Government to discontinue levy
7. Mode of recovery of tax
8. No oilier terminal tax on railway passengers when terminal tax under this Act is levied
9. Exemptions

**SCHEDULE 1 :- THE SCHEDULE**

**TERMINAL TAX ON RAILWAY PASSENGERS ACT, 1956**

**69 of 1956**

**[12th December, 1956]**

STATEMENT OF OBJECTS AND REASONS "The terminal taxes on passengers carried by railway (including pilgrim taxes) now in force are those leviabale under the local enactments passed before the 1st day of April 1937, on which date Government of India Act 1935, came into force. That Act made terminal taxes on passengers carried by railway a Central subject, but at the same time authorised the continuance of the levy of the existing terminal taxes on passengers carried by railway until provision to the contrary was made by the Centra.) Legislature. Under the Constitution of India also, terminal taxes on passengers carried by railway are a mat- ter in the Union List, and under Art. 269 of the Constitution of india such taxes, shall be levied and collected by the Government of India but shall be assigned to the States in the manner provided in clause (2) of that Article. Under Art. 277 of the Constitution of india, all taxes levied by the Government of any State or by any municipality

or other local authority or body before the commencement of the Constitution shall continue to be levied after such commencement until provision to the contrary is made by Parliament by law. It is under this saving provision of the Constitution that the existing terminal taxes referred to above are being levied till the present time. Whenever, however, there has been any need for the levy of any fresh terminal tax or for the enhancement of any of the existing terminal taxes (including pilgrim taxes), the practice has been to have recourse to the Ordinance-making powers of the President. For example recently the Madras Terminal Tax on Railway Passengers Ordinance, 1956, was promulgated to levy a terminal tax on railway passengers visiting Kumbakonam on the occasion of the Mahamakham festival. In order to obviate the need for the issue of an Ordinance on each such occasion for any fresh or increased levy, general legislation is desirable and this also finds favour with the different State Governments and various local bodies who have been pressing for such a general legislation for quite some time past. After having considered the recommendations of the taxation Inquiry Commission, 1953-54, relating to the levy of terminal tax on passengers carried by railway, sea and air, it has been decided that legislation for the levy of terminal tax should, for the present be confined to passengers carried by railway to and from places of pilgrimage melas, fairs, exhibitions etc. The proposed legislation should provide that the places, of pilgrimage, melas, fairs, exhibitions, etc., in respect of which, the rate (not exceeding the maximum rates specified in the legislation) at which and the period for which, the terminal tax may be leviable will be notified by the Central Government in the Official Gazette. The terminal tax will be leviable in respect of every ticket whether single or return: there will be a free zone not exceeding a radius of forty miles within which no tax will be leviable and different rates of tax may be fixed for long-distance passengers and short-distance passengers. The Central Government should have the power to vary the rates of the tax or to discontinue the levy in respect of any place by notification in the Official Gazette. The present Bill is designed to achieve the objects set forth above."-Gaz. of Ind., 1956, Extra.. Pt. II, S. 2, p. 838.

### **1. Short title, extent and commencement :-**

(1) This Act may be called THE TERMINAL TAX ON RAILWAY PASSENGERS ACT, 1956.

(2) It extends to the whole of India.

## **2. Definitions :-**

In this Act, unless the context otherwise requires,--

(a) "maximum rates" mean the rates of terminal tax specified in the Schedule;

(b) "mela" means a public gathering on the occasion of any religious festival;

(c) "notified place" means a place of pilgrimage or a place where a fair, mela or exhibition is being or is likely to be held, which the Central Government has, by notification in the Official Gazette, declared to be a notified place for the purposes of this Act,;

## **3. Terminal tax on passengers carried by railway from or to notified places :-**

(1) Subject to the other provisions contained in this Act, there shall be levied on all passengers carried by railway from or to any notified place a terminal tax in respect of every railway ticket (whether single or return) at such rates not exceeding the maximum rates as the Central Government may, by notification in the Official Gazette, fix; and such notification shall specify the date with effect from which, and may also specify the period for which, the terminal tax shall be leviable: Provided that where no such period is specified in the notification, the terminal tax shall be leviable for so long as this Act is in force.

## **4. Terminal tax not to be levied within certain limits :-**

No terminal tax shall be levied on any passenger travelling by railway from or to any notified place to or from any railway station situated within a radius of forty miles from that notified place or within such shorter distance from that place as the Central Government may, by notification in the Official Gazette, specify.

## **5. Power of Central Government to vary rates of tax :-**

The Central Government may, by notification in the Official Gazette, vary from time to time in respect of railway passengers generally or a class of railway passengers the rates of the terminal tax levied in relation to any notified place under section 3 .

## **6. Power of Central Government to discontinue levy :-**

The Central Government may by notification in the Official Gazette, declare that with effect from such date as may be specified in the notification, the terminal tax levied in relation to any notified

place shall for reasons specified in the notification cease to be levied in relation to that place.

**7. Mode of recovery of tax :-**

(2) Such portion of the total proceeds of the tax attributable to any notified place as the Central Government may from time to time ascertain shall be deducted to meet the cost of collection of the tax.

**8. No other terminal tax on railway passengers when terminal tax under this Act is levied :-**

Notwithstanding anything contained in any law where a terminal tax in relation to any notified place is levied under this Act on passengers carried by railway, no other terminal tax in relation to such place shall be levied under any other law on such passengers.

**9. Exemptions :-**

Nothing contained in this Act. or in any other law shall be deemed to authorise the levy of a terminal tax on the following classes of passengers carried by railway, namely:-

- (a) children not over three years of age;
- (b) police officers travelling on railway warrants;
- (c) persons travelling on military warrants and troops travelling in reserved vehicles at vehicle rate; and
- (d) free pass holders.

**SCHEDULE 1**

**THE SCHEDULE**

|  |  |
|--|--|
| MAXIMUM RATES OF TERMINAL TAX (See section 2 (a) ) |  |
| 1  | 2  |
| Maximum rate of terminal tax _____                 | Class of accommodation (in respect of every (In respect of every single ticket) return ticket) (a) (b) |
| Rs. A P.   | Rs A P Air-conditioned or first (lass 1 8 0 3 0 0 Second Class 1 0 0 2 0 0 Third Class 0 8 0 1 0 0     |