

THE ANDHRA PRADESH TAX ON PROFESSIONS, TRADES, CALLINGS AND
EMPLOYMENTS ACT, 1987
ACT No. 22 OF 1987
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THE ANDHRA PRADESH TAX ON PROFESSIONS, TRADES, CALLINGS AND
EMPLOYMENTS ACT, 1987

ACT No. 22 OF 1987

(18th April, 1987)

AN ACT TO PROVIDE FOR THE LEVY AND COLLECTION OF A TAX
ON PROFESSIONS, TRADES, CALLINGS AND EMPLOYMENTS.

Be it enacted by the Legislative Assembly of the State of Andhra Pradesh
in the Thirty-eighth Year of the Republic of India as follows:-

1. Short title, extent and commencement - (1) This Act may be called the
Andhra Pradesh Tax on Professions, Trades, Callings and Employments Act,
1987.

(2) It extends to the whole of the State of Andhra Pradesh.

(3) It shall come into force on such date as the Government may, by
notification, appoint.

2. Definitions - In this Act, unless the context otherwise requires:-

(a) "*appellate authority*" means the appellate authority appointed under
section 3;

(b) "*assessee*" means a person or employer by whom tax is payable under
this Act;

(c) "*assessing authority*" means an assessing authority appointed under
section 3;

(d) "*Commissioner*" means the Commissioner of profession tax appointed
under section 3;

(e) "*employee*" means a person employed on salary or wages and includes,-

(i) an employee of the Central Government or any State
Government to whom the salary is paid either from the
Consolidated Fund of India or of a State;

(ii) a person in the service of a body, whether incorporated or
not, which is owned or controlled by the Central Government or
any State Government where the body operates in any part of
the State, even though its headquarters may be situated
outside the State; and

(iii) a person engaged in any employment of an employer, not
covered by items (i) and (ii) above;

(f) "*employer*" in relation to an employee earning any salary or wages on
regular basis under him, means the person or the officer who is
responsible for disbursement of such salary or wages; and includes the
head of the Office or any establishment as well as the manager or agent of
the employer;

(g) "*Government*" means the State Government of Andhra Pradesh;

(h) "*Local authority*" means-

(i) in the City of Hyderabad and in the City of Secunderabad,
excluding the Cantonment area, the Municipal Corporation of
Hyderabad and in the city of Vijayawada, the Municipal
Corporation of Vijayawada and in the city of Visakhapatnam,
the Municipal Corporation of Visakhapatnam and in any other
Municipality, the Municipal Council concerned;

(ii) in any area which is comprised within the jurisdiction of a
Gram Panchayat, the Gram Panchayat concerned; and

(iii) in any other area, the authority legally entitled to or entrusted by the Government with the control or management of a profession tax;

(i) "*notification*" means a notification published in the Andhra Pradesh Gazette and the word 'notified' shall be construed accordingly;

(j) "*person*" means any person who is engaged in any profession, trade, calling or employment in the State of Andhra Pradesh and includes a hindu undivided family, firm, company, corporation or other corporate body, any society, club or association, so engaged but does not include any person who earns wages on a casual basis.

Explanation: Every branch of a firm, company, corporation or other corporate body, any society, club or association shall be deemed to be a person;

(k) "*prescribed*" means prescribed by rules made by the Government under this Act;

(l) "*profession tax*" means a tax leviable under this Act;

(m) "*salary or wages*" includes pay or wages, dearness allowances and all other remuneration received by any assessee on regular basis, whether payable in cash or kind and also includes requisitions and profits in lieu of salary as defined in section 17 of the Income-Tax Act, 1961(Central Act 43 of 1961) but does not include bonus in any form and on any account or gratuity;

(n) "*schedule*" means a schedule appended to this Act;

(o) "*year*" means the twelve months ending on the 31st day of March.

3. Appointment of a Commissioner and other officers - (1) The Government may, by notification, appoint a Commissioner of Profession Tax to exercise the powers and perform the functions conferred on or entrusted to him by or under this Act.

(2) The Government may also appoint an assessing authority, appellate authority and such number of other officers as they deem fit for the purpose of exercising the powers and performing the functions respectively conferred on or entrusted to them by or under this Act.

4. Levy and charge of Tax - (1) There shall be levied and collected a tax on professions, trades, callings and employments for the benefit of the State.

(2) Every person engaged in any profession, trade, calling or employment in the State and falling under any one or other of the classes specified in column (2) of the First Schedule, shall be liable to pay a tax at the rate specified in the corresponding entry in column (3) thereof.

5. Employer's liability to deduct and pay tax on behalf of employees - (1) The tax payable under this Act, by any person earning a salary or wage, shall be deducted by his employer from the salary or wage payable to such person, before such salary or wage is paid to him, and such employer shall, irrespective of whether such deduction has been made or not, when the salary or wage is paid to such persons, be liable to pay tax on behalf of all such persons:

Provided that, where the employer is an officer of the State Government or the Central Government, the manner in which such employer shall discharge the said liability shall be such as may be prescribed:

Provided further that, where any person earning a salary or wage, -

(a) is also covered by one or more entries other than entry 1 in the First Schedule and the rate of tax under any such other entry is more than the rate of tax under entry 1 in that schedule; or

(b) is simultaneously engaged in employment of more than one employer;

and such person furnishes to his employer or employers a certificate in the prescribed form declaring, inter-alia, that he shall get enrolled under sub-section (2) of section 6 and pay the tax himself; then the employer or employers of such person shall not deduct the tax from the salary or wage payable to such person and such employer or employers, as the case may be, shall not be liable to pay tax on behalf of such person.

¹[5A. Licensing Turf club's liability to collect and pay tax on behalf of the licensed persons -The tax payable under this Act by the licensed horse owners, trainers, book-makers and jockeys shall be collected by the turf clubs and such clubs shall irrespective of whether such collection has been made or not, be liable to pay tax on behalf of the above cases of persons licensed by it, and the tax so collected or due shall be received by the stewards of the club on behalf of the Government and remit the same in the Government treasury as may be prescribed.]

6. Registration and enrolment - (1) Every assessee (not being an officer of the State Government or the Central Government) liable to pay tax under section 5 shall obtain a certificate of registration from the assessing authority in the prescribed manner.

(2) Every assessee (other than a person earning salary or wages, in respect of whom the tax is payable by his employer), liable to pay the tax under this Act, shall obtain a certificate of enrolment from the assessing authority in the prescribed manner.

(3) Every assessee required to obtain a certificate of registration or enrolment under this section shall,-

- (a) within thirty days from the date of commencement of this Act; or
- (b) if he was not engaged in any profession, trade, calling or employment on the date of such commencement, within thirty days of his becoming liable to pay tax ;

Apply for a certificate of registration or enrolment or a revised certificate of enrolment, as the case may be to the assessing authority in the prescribed form and the assessing authority shall after making such enquiry as may be necessary within thirty days of the receipt of the application (which period in the first year from the commencement of this Act, shall be extended to ninety days) if the application is in order, grant him such certificate of registration or enrolment.

(4) ²[*****]

(5) Where an assessee liable to registration or enrolment has wilfully failed to apply for such certificate within the time specified in sub-section (3), the assessing authority may, after giving him a reasonable opportunity of being heard, impose a penalty which shall not be less than rupees ten but which shall not exceed rupees twenty for each day of delay in case of an employer and not exceeding rupees five for each day of delay in case of others.

(6) Where an assessee liable to registration or enrolment has deliberately given false information in any application submitted under this section, the assessing authority may, after giving him a reasonable opportunity of being

¹ . Inserted by Act No. 17 of 2003, s 2 .

² . Omitted by Act No.14 of 2012, s 2.

heard, impose a penalty which shall not be less than rupees one hundred but which shall not exceed rupees one thousand.

7. Returns - (1) Every assessee registered under this Act, shall submit to the assessing authority a return in such form, for such period or periods and by such dates as may be prescribed showing therein the salaries and wages paid by him and the amount of tax deducted by him in respect thereof.

(2) Every such return shall be accompanied by a treasury challan in proof of payment of full amount of tax due according to the return and return without such proof of payment shall not be deemed to have been duly submitted.

(3) Where an assessee has without reasonable cause failed to submit such return within the specified period, the assessing authority may, after giving him a reasonable opportunity of making representation impose upon him a penalty which shall not be less than rupees five but which shall not exceed rupees one hundred for each day of delay.

8. Assessment of an assessee - (1) If the assessing authority is satisfied that the return submitted by an assessee is correct and complete, it may accept the return. If the return appears to it to be incorrect or incomplete it shall, after giving the assessee a reasonable opportunity of proving the correctness or completeness of the return submitted by him and making such enquiry as it deemed necessary, assess to the best of its judgment, the amount of tax due from the assess.

(2) The amount of tax due from any assessee shall be assessed separately for each year within a period of four years from the expiry of the year to which the assessment relates.

(3) If any assessee has failed to get himself registered or having been registered, has failed to submit any return, the assessing authority shall, after giving the assessee a reasonable opportunity of making representation and after making such inquiry as he deems necessary pass an order assessing the amount of tax due, to the best of its judgment.

(4) The amount of tax so assessed shall be paid within fifteen days of receipt of the notice of demand from the assessing authority.

(5) In making an assessment under sub-section (1), the assessing authority if it is satisfied that the escaped assessment was due to wilful non-disclosure of information or attempt to evade the tax by the assessee, the assessing authority may also direct to pay in addition to the tax assessed, a penalty which shall not be less than one and half times the tax so assessed but which shall not exceed three times the tax so assessed:

Provided that no penalty under this sub-section shall be imposed unless the assessee affected has had a reasonable opportunity of showing cause against the imposition of such penalty.

9. Assessment of escaped or under assessed tax - If for any reason any tax payable under this Act, has escaped assessment or has been under assessed or assessed at a lower rate than the rate at which it is assessable, the assessing authority may at any time within four years from the expiry of the year to which the tax relates, proceed to assess or reassess the tax, as the case may be, to the best of its judgment after issuing a notice to the assessee concerned and after making such enquiry as it considers necessary:

Provided that the tax shall be charged at the rate at which it would have been charged if such tax had not escaped assessment or, as the case may be,

had not been under assessed or assessed at a rate lower than the rate at which it was assessable.

10. Payment of tax by certain assesseees - The amount of tax due from the assesseees for each year as specified in their enrolment certificate shall be paid,-

(a) before 30th June, in respect of an assessee who stands enrolled before the commencement of a year or is enrolled on or before the 31st May of a year; and

(b) within one month of the date of enrolment in respect of an assessee who is enrolled after the 31st May of a year in the prescribed manner.

¹[(c) Notwithstanding anything contained in clauses (a) and (b), the amendment made to the First Schedule except serial No.1 relating to salary and wage earners in the First Schedule, shall be deemed to have come into force from 1st April, 1996 and the tax paid by any assessee for the year 1996-97 as per the pre-amended Schedule shall be deducted from the amount due from the assessee as per the rates under the amended Schedule and the balance amount shall be paid on or before 30th September, 1996.]

²[(d) in the case of licensed horse owners, trainers, jockeys, book-makers shall be paid within a week of the commencement of the racing at the turf-clubs in the prescribed manner.]

11. Consequences of failure to deduct or to pay tax - (1) If an assessee (not being an officer of the State Government or the Central Government) does not deduct the tax at the time of payment of salary or wages or after deducting, fails to pay the tax as required by or under this Act, he shall,-

(a) be deemed to be an assessee in default in respect of the tax; and

(b) be liable to pay such interest as may be prescribed on the amount of tax due for each month or part thereof for the period for which the tax remains unpaid.

(2) If an enrolled person fails to pay the tax as required by or under this Act, he shall be liable to pay interest at the rate and in the manner laid down in sub-section (1).

12. Penalty for non-payment of tax - If an assessee fails, without reasonable cause to make payment of any amount of tax within the time specified in the notice of demand, the assessing authority may, after giving him a reasonable opportunity of making his representation, impose upon him a penalty which shall not be less than twenty-five per cent but not exceeding fifty per cent of the amount of tax due. This penalty shall be in addition to the interest payable under sub-section (1) or sub-section (2) of section 11.

13. Recovery of tax, etc. - The arrears of tax, penalty, interest or any other amount due under this Act, shall be recoverable as an arrear of land revenue.

14. Appointment of collecting agents - (1) The Government may, for carrying out the purposes of this Act, appoint any government department officer, or local authority as its agent (hereinafter called "the collecting agent") who shall be responsible for the collection of the tax under this Act, from such assesseees or class of assesseees as may be prescribed and thereupon it shall be the duty of such collecting agent to carryout the functions under this Act, in such manner as may be prescribed and to render full and complete account of the tax collected, to the Commissioner in such manner and at such time as may be prescribed.

¹ . Inserted by Act No.29 of 1996, s 2.

² . Inserted by Act No.17 of 2003, s 2.

(2) The collecting agent and every officer authorised by it in this behalf shall, for the purposes of collection of the tax, have all the powers of the assessing authority and also any other powers that may be prescribed.

(3) A Local authority appointed as a collecting agent under sub-section (1), shall be paid such collection charges as may be determined by the Government.

(4) It shall be lawful for the Commissioner or any Officer duly authorised by him, to have access to and to require production and examination of books, registers, account or documents maintained or required to be maintained by the collecting agent for the purposes of this Act and the collecting agent shall, whenever called upon so to do produce such books, registers, accounts or documents for inspection.

15. Appeals - (1) Any assessee ¹[****] aggrieved by any order passed by ²[any assessing authority] under the provisions of this Act, ³[***], may within thirty days from the date on which the order was served on him, appeal to the appellate authority:

Provided that the appellate authority may for sufficient cause shown admit an appeal preferred after the expiry of the period of thirty days aforesaid.

⁴[(2) No appeal shall be entertained unless 12.5% of the amount of disputed tax or penalty or interest besides the admitted tax, in full, is paid.]

⁴[(3) The appeal shall be in such form and verified in such manner, as may be prescribed.]

(4) The appellate authority may after giving the appellant an opportunity of being heard and subject to such rules of procedure as may be prescribed:-

(a) confirm, reduce, enhance or annul or otherwise modify the assessment, penalty or interest as the case may be;

(b) set aside the assessment, penalty or interest as the case may be and direct the assessing authority to pass a fresh order after such further inquiry as may be directed; or

(c) pass such other orders as it may think fit.

(5) Before passing orders under sub-section (4), the appellate authority may make such inquiry as it deems fit or remand the case to any subordinate officer or authority for an inquiry and report on any specified point or points.

(6) Every order passed in appeal under this section shall, subject to the provisions of section 16, be final.

16. Revision – ⁵[(1) The Commissioner may, call for and examine the record of the proceeding of any order made by the assessing authority, or the appellate authority for the purpose of satisfying himself as to the legality or propriety of such order and pass such order not prejudicial to the interests of revenue.]

(2) ⁶[****]

¹. Omitted by Act No 14 of 2012, s 3.

². Substituted by Act No 14 of 2012, s 3.

³. Omitted by Act No.16 of 2008, s 2.

⁴. Substituted by Act No.16 of 2008, s 2.

⁵. Substituted by Act No.16 of 2008, s 3.

⁶. Omitted by Act No.16 of 2008, s 3.

(3) The powers of revision shall be exercised within such period not exceeding four years from the date on which the order was served on the assessee.

(4) No order which adversely affects any assessee shall be passed under this section, unless such assessee has been given a reasonable opportunity of being heard.

(5) ¹[*****]

17. Accounts - (1) If the assessing authority is satisfied that the books of account and other documents maintained by an assessee in the normal course of his business are not adequate for verification of the returns submitted by the employer under this Act, it shall be lawful for the assessing authority to direct the employer to maintain the books of account or other documents in such manner as he may in writing direct and thereupon the assessee shall maintain such books or other documents accordingly.

(2) Where an assessee wilfully fails to maintain the books of accounts or other documents as directed under sub-section (1), the assessing authority may, after giving him a reasonable opportunity of being heard, impose a penalty not exceeding rupees five for each day of delay.

18. Special mode - (1) Notwithstanding anything contained in any law or contract to the contrary, ²[the Commissioner or the Deputy Commissioner (CT) or the Commercial Tax Officer or the Deputy Commercial Tax Officer or the Profession Tax Officer may,] by notice in writing, a copy of which shall be forwarded to assessee at his last address known to the assessing authority, require,-

- (a) any person from whom any amount of money is due, or may become due to an assessee on whom notice of demand has been served under this Act; or
- (b) any person who holds or may subsequently hold money for or on account of such assessee, to pay the assessing authority, either forthwith upon the money becoming due or being held or at or within the time specified in the notice (but not before the money becomes due or is held as aforesaid), so much of the money as is sufficient to pay the amount due by the assessee in respect of the arrears of tax, penalty or interest under this Act, or the whole of the money when it is equal to or less than that amount.

Explanation:- For the purpose of this section, the amount of money due to an assessee from, or money held for or on account of an assessee by any person shall be calculated after deducting therefrom such claims if any lawfully subsisting, as may have fallen due for payment by such assessee to such person.

(2) ²[The Commissioner or the Deputy Commissioner (CT) or the Commercial Tax Officer or the Deputy Commercial Tax Officer or the Profession Tax Officer may,] amend or revoke any such notice, or extend the time for making any payment in pursuance of the notice.

(3) Any person making any payment in compliance with a notice under this section shall be deemed to have made the payment under the authority of the assessee and the receipt of the assessing authority shall constitute a good and sufficient discharge of the liability of such a person, to the extent of the amount referred to in the receipt.

¹. Omitted by Act No. 16 of 2008, s 3.

². Substituted by Act No.3 of 2003, s2.

(4) Any person discharging any liability to the assessee after receipt of the notice referred to in this section, shall be personally liable to the assessing authority to the extent of liability discharged, or the extent of the liability of the assessee for the amount due under this Act, whichever is less.

(5) Where any person to whom a notice under this section is sent proves to the satisfaction of the assessing authority that the sum demanded or any part thereof is not due by him to the assessee or that he does not hold any money for or on account of the assessee then nothing contained in this section shall be deemed to require such person to pay any such sum or part thereof, as the case may be, to the assessing authority.

(6) Any amount of money which a person is required to pay to the assessing authority or for which he is personally liable to the assessing authority under this section, shall if it remains unpaid be recoverable as an arrear of land revenue.

¹[18A. Special powers of Deputy Commissioner under the Revenue Recovery Act –

(1) A Deputy Commissioner shall have the power of collector under the Andhra Pradesh Revenue Recovery Act, 1864 (Act 2 of 1864) for the purpose of recovery of any amount due under this Act.

(2) Subject to the provision of Sub Section (3), all Deputy Commercial Tax Officers shall for the purpose of recovery of any amount due under this Act, have the power of the Mandal Revenue Officer under the Andhra Pradesh Rent and Revenue Sales Act, 1839 (Act VII of 1839) for the sale of property distrained for any amount due under this Act.

(3) Notwithstanding anything contained in the Andhra Pradesh Rent and Revenue Sales Act, 1839, the Deputy Commercial Tax Officer in exercise of the powers conferred by subsection (2) shall be to the control and superintendence of the Deputy Commissioner.]

19. Recovery of tax where trade, calling etc., of employer is transferred - Where the ownership of the profession, trade, calling or employment of an assessee liable to pay tax is transferred, any tax, penalty or interest or other amount payable under this Act, in respect of such business and remaining unpaid at the time of the transfer, may without prejudice to any action that may be taken for its recovery from the transferor, be recoverable from the transferee as if he were the assessee liable to pay such tax, penalty or interest or other amount.

20. Production and inspection of accounts and documents and search of premises - Any officer or authority under this Act, may inspect and search any premises, where any profession, trade, calling or employment liable to tax under this Act, is carried on or is suspected to be carried on and may require production and examination of books, registers, accounts or documents relating thereto and may seize such books, registers, accounts or documents as may be necessary:

Provided that, if the said officer or authority removes from the said premises any book, register, account or document, he or it shall give to the person in charge of the place, a receipt describing the book, register, account or document so removed and retain the same only for so long as may be necessary for the purpose of examination thereof or for the prosecution.

21. Refund of excess - The assessing authority shall refund to assessee the amount of tax, penalty interest or other amount, if any, paid by such assessee in excess of the amount due from him. The refund may be made either by cash or, at the option of the assessee by deduction of such excess from the amount of tax, penalty interest or other amount due in respect of any other period:

¹. Inserted by Act No. 3 of 2003, s 3.

Provided that, the assessing authority shall first apply such excess towards the recovery of any amount due in respect of which a notice under section 8 has been served, and shall then refund the balance, if any.

22. Offences and penalties - Any assessee who, without sufficient cause, fails to comply with any of the provisions of this Act or the rules made thereunder shall, on conviction, be punished with fine which shall not be less than five hundred rupees but shall not exceed five thousand rupees and when the offence is a continuing one, with fine which shall not be less than ten rupees but shall not exceed fifty rupees per day during the period of the continuance of the offence.

23. Offences by Companies - (1) Where an offence under this Act, has been committed by a company, every person who at the time the offence was committed was in charge of and was responsible to the company for the conduct of the business of the company as well as the company shall be deemed to be guilty of the offence and shall, be liable to be proceeded against and punished accordingly:

Provided that, nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation- For the purposes of this section:-

(a) "company" means any body corporate and includes a firm or other association of individuals; and

(b) "director" in relation to a firm means a partner in the firm.

24. Power to transfer proceedings - The Commissioner may, after giving the parties a reasonable opportunity of being heard, wherever it is possible so to do and after recording his reason for doing so, by order in writing transfer any proceedings or class of proceedings under any provision of this Act, from himself to any other officer, and he may likewise transfer any such proceedings (including a proceeding pending with any officer or already transferred under this section) from any officer to any other officer or to himself:

Provided that, nothing in this section shall be deemed to require any such opportunity to be given where the transfer is from any officer and the offices of both are situated in the same city, locality or place.

Explanation - In this section, the word "*proceedings*" in relation to any assessee concerned is specified in any order issued thereunder means all proceedings under this Act, in respect of any year, which may be pending on the date of such order or which may have been completed on or before such date and includes also all proceedings under this Act, which may be commenced after the date of such order in respect of any year in relation to such assessee.

25. Compounding of offences -(1) The assessing authority may, either before or after the institution of proceedings for an offence under this Act, permit any assessee, charged with the offence to compound the offence on payment of

such sum, not exceeding five thousand rupees or double the amount of tax recoverable, whichever is greater.

(2) On payment of such sum as may be determined by the assessing authority under sub-section (1), no further proceedings shall be taken against the person in respect of the same offence.

(3) Any order passed or proceeding recorded by the assessing authority under sub-section (1), shall be final and no appeal or application for revision shall lie therefrom.

26. Powers to enforce attendance, etc., - The Commissioner and other authorities under this Act shall have the same powers as are vested in a court under the Code of Civil Procedure, 1908 (Central Act V of 1908) while trying a suit, for the purpose of enforcing the attendance of and examining any person on oath or affirmation or for compelling the production of any document.

27. Bar of jurisdiction of courts - No court shall entertain any suit, or other proceeding to set aside or modify, or question the validity of any assessment, order or decision made or passed by any officer or authority under this Act or the rules made thereunder or in respect of any other matter falling within its or his scope.

28. Protection of acts done in good faith - No suit, prosecution or other proceedings shall lie against the Government or any officer, authority or person empowered to exercise the powers and perform the functions by or under this Act, for anything which is in good faith done or intended to be done under this Act or the rules or orders made thereunder.

29. Power to delegate - The Commissioner may, subject to such conditions and restrictions as the Government may by general or special order impose, by order in writing delegate to any officer or authority subordinate to him, either generally or as respects any particular matter or class of matters any of his powers under this Act.

30. Power to make rules - (1) The Government may, by notification, make rules to carry out all or any of the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for the fees payable in respect of any applications to be made, forms to be supplied, certificates to be granted and appeals and applications for revision to be made under this Act and also any applications for certified copies of documents filed and orders made under this Act.

(3) Every rule made under this Act shall immediately after it is made, be laid before the Legislative Assembly of the State if it is in session, and if it is not in session, in the session immediately following for a total period of fourteen days which may be comprised in one session or in two successive sessions and if, before the expiration of the session in which it is so laid or the session immediately following the Legislative Assembly agrees in making any modification in the rule or in the annulment of the rule, the rule shall, from the date on which the modification or annulment is notified, have effect only in such modified form or shall stand annulled, as the case may be, so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

31. Power to exempt - The Government may, by notification, make an exemption or reduction in the rate of tax payable under this Act by any specified class of assesseees subject to such restrictions and conditions as may be specified in the notification.

32. Local authorities not to levy profession tax - Notwithstanding anything in any enactment governing the constitution or establishment of a local authority, no local authority shall, on or after the commencement of this Act, levy any tax on professions, trades, callings or employments.

33. Amendment of certain enactments - (1) The enactments specified in column (2) of the Second Schedule are hereby amended in the manner and to the extent specified in the corresponding entry in column (3) thereof:

Provided that, nothing in the said amendment shall effect or be deemed to affect,-

(i) any right, obligation or liability already acquired, accrued or incurred or anything done or suffered, in respect of any period preceding the date of coming into force of these amendments;

(ii) any legal proceedings or remedy whether initiated or availed of before or after the date of coming into force of these amendments, in respect of any such right, obligation or liability.

(2) The levy, assessment or recovery of any tax or the imposition or recovery of any penalty in respect of such period, under the provisions of the relevant enactments and all proceedings under them in respect of all matters aforesaid shall be initiated and disposed of, or continued and disposed of, as the case may be, as if this Act had not been enacted.

34. Cesses not be levied in certain cases - Notwithstanding anything in any law for the time being in force no cess shall be levied, on tax on professions, trades, callings and employments under any such law and the provisions in such law authorising such levy and collection shall, on and from the date of commencement of this Act, stand repealed.

35. Grant to Local authorities for loss of revenue - Out of the proceeds of the tax, penalties, interest or other amounts recovered under this Act, ¹[except Municipalities and Municipal Corporations whose employees are getting salaries and pensions through Government treasuries] as were levying a tax on professions, trades, callings and employments, immediately before the commencement of this Act, such amounts on the basis of the highest collections of such taxes, penalties and interest made by them in any year during the period of three years immediately preceding such commencement as may be determined by the Government in this behalf.

36. Power to remove difficulties - If any difficulty arises in giving effect to the provisions of this Act, the Government may by notification, make such provisions, not inconsistent with this Act, as appears to them to be necessary or expedient for removing the difficulty.

37. Power to amend First Schedule - (1) The Government may, by notification, alter, add to or cancel any item or entry in the First Schedule.

(2) Where a notification has been issued under sub-section (1), there shall, unless the notification is in the meantime rescinded, be introduced in the Legislative Assembly, as soon as may be, but in any case during the next session of the Legislative Assembly following the date of the issue of the notification, a Bill on behalf of the Government, to give effect to the alteration, addition or cancellation, as the case may be, of the said Schedule specified in the notification and the notification shall cease to have effect when such Bill

¹. Substituted by Act No 10 of 2010, s 2.

becomes law, whether with or without modifications, but without prejudice to the validity of anything previously done thereunder:

Provided that if the notification under sub-section (1) is issued when the Legislative Assembly is in session, such Bill shall be introduced in the Legislative Assembly during that session:

Provided further that where for any reason a Bill as aforesaid does not become law within six months from the date of its introduction in the Legislative Assembly, the notification shall cease to have effect on the expiration of the said period of six months.

(3) All references made in this Act, to any items or entries of the said Schedule shall be construed as relating to the item of the Schedule as for the time being amended in exercise of the powers conferred by this section.

[First Schedule]

(Under Section 4)

Sl. No.	Description	Tax Per month (PM) or Per Annum (PA) in (Rs)
(1)	(2)	(3)
1	Salary and wage earners whose monthly salaries or wages in Rs:	
	(i) Up to 15,000	Nil
	(ii) From 15,001 to 20,000	150 PM
	(iii) Above 20,000	200 PM
2	Legal practitioners, Solicitors, Notaries, Tax Consultants, Chartered Accountants, Technical and Professional Consultants, Engineers, RCC Consultants, Architects, Management Consultants, Estate Agents, Chief Agents, Principal Agents, Special Agents, Insurance Agents, Surveyors or Loss assessors registered or licensed under the Insurance Act, 1938 (Central Act IV of 1938), Pigmy Agents, UTI agents, Authorized assistants and Sub brokers recognized by SEBI, Commission Agents, Dalals, Brokers, Auctioneers, Medical Practitioners, Journalists, Medical Consultants (Other than Practitioners of Ayurvedic, Homeopathic and Unani systems of Medicines), Dentists, Radiologists, Pathologists and persons engaged in other similar professions or callings of a Paramedical nature, whose standing in the profession is:	
	(i) Up to 5 years	Nil
	(ii) More than 5 years	2500 PA
3	Members of Stock-Exchanges recognized under Security Contracts (Regulation) Act, 1956	2500 PA
¹ [4]	Contractors scoring annual turnover as under:	

¹. Substituted by Act No. 42 of 2020, s 2

	(a) Below Rs.10 lakhs	Nil
	(b) From Rs.10 lakh to Rs.25 lakhs	2000 PA
	(c) Above Rs 25 lakhs	2500 PA]
5	Directors (other than those nominated by the Government) of Companies Registered under the Companies Act, 1956.	2500 PA
6	(i) Race horse owners, Trainers and Book Makers licensed by the Turf clubs of Hyderabad Race Club or any other Race club.	2500 PA
	(ii) Jockeys licensed by the Turf clubs.	1250 PA
¹ [7	Persons employed in the motion picture industry namely:-	
	Film Producers, Film Distributors, Film Directors, Cinematograph Film Processors, Directors of Photography, Music Directors, Choreographers, Lyricists, Actors and Actresses, Story writers, Play-back singers, Recordists, Editors, Owners or Lessees of outdoor film units, Assistant Music Directors, Assistant director of Photography, Cameraman, Still photographers, Junior Artists, Production Managers, Assistant Directors, Assistant Cameraman, Assistant Recordists, Assistant Editors, Musicians and Dancers.	2500 PA]
8	APVAT ¹ [and the Andhra Pradesh Goods and Services Tax Act, 2017 (APGST)] registered Dealers or Dealers liable to be Registered under APVAT Act 2005 ¹ [and the Andhra Pradesh Goods and Services Tax Act, 2017 (APGST Act)] including FP shop dealers, Shopkeepers (Employers) of establishment as defined under AP Shops and Establishment Act 1988 whose annual business turnover is Rs:	
	(i) Below Rs.10 Lakhs	Nil
	(ii) From Rs.10 lakhs to Rs.50 lakhs	1250 PA
	(iii) Above Rs. 50 lakhs	2500 PA
² [9	Owners or Lessees of factories as defined under the Factories Act, 1948 with annual turnover as follows:	
	(i) Below Rs.10 Lakhs	Nil
	(ii) From Rs.10 lakhs to Rs.25 lakhs	2000 PA
	(iii) Above Rs 25 lakhs	2500 PA]
10	Owners or Lessees of Petrol/Diesel/Gas filling stations and Service stations, Garage and Workshops of automobiles.	2500 PA
11	Owners or Lessees of Nursing Homes or Hospitals other than those run by the State,	2500 PA

¹ . Inserted by Act No 3 of 2020, s 2.

² . Substituted by Act No. 42 of 2020, s2.

	Local Bodies or Central Government.	
12	Owners or Lessees of Pathological Testing Labs, X Ray Clinics and Medical Diagnostic Centers.	2500 PA
13	Owners or Lessees of Beauty Parlours/Saloons and Interior Decorators.	2500 PA
² [14	Owners or Lessees of Hotels, Restaurants, Bars or Lodging Houses having annual turnovers as follows	
	(i) Below 10 Lakhs	Nil
	(ii) From 10 lakhs to 25 lakhs	2000 PA
	(iii) Above Rs 25 lakhs	2500 PA]
15	Owners or Lessees or operators of Convention Centers, Cinema theatres, Amusement Parks, Clubs, Resorts, Video parlours, Master Cable TV, Cable TV, DTH, Video games and Computer Games	2500 PA
16	(i) Holders of permits of less than Three(3) transport vehicles (other than auto-rickshaws) granted under the Motor Vehicles Act, 1988.	Nil
	(ii) Holders of permits of Three(3) or more transport vehicles (other than auto-rickshaws) granted under the Motor Vehicles Act, 1988.	2500 PA
17	Money lenders, licensed under the law relating to money lenders, Micro Finance Institutions(MFIs) and Individuals or institutions conducting/running Chit Funds.	2500 PA
¹ [18	Co-operative Societies registered under the A.P. Co-operative Societies Act, 1964 and engaged in any profession, trade or calling:	
	(i) Village and Mandal level societies.	Nil
	(ii) District and State Level societies.	2500 PA]
19	Banking Companies as defined in the Banking Regulations Act, 1949 including its each branch/ATM/extension counter in addition to the area Office/Zonal Office/Head Office. Explanation: For the purpose of this entry "Banking Companies" shall mean and include any bank, which came into existence after the year 1949 through separate Act but whose operations are Governed by the provisions of the Banking Regulation Act, 1949 (Central Act 10 of 1949) irrespective of how the bank(s) came into existence.	2500 PA
20	All Companies registered under the Companies Act, 1956, not being a dealer under APVAT Act 2005 ² [and the Andhra Pradesh Goods and Services Tax Act, 2017 (APGST Act)] and engaged in a profession, trade or calling with turnover of Rs. 10.00	2500 PA

¹ . Substituted by Act No 42 of 2020, s 2.

² . Inserted by Act No. 3 of 2020, s 2.

	lakhs and above.	
¹ [21]	Each partner of a firm drawing remuneration from the firm engaged in any profession, trade or calling.]	2500 PA
22	Travel Agencies	2500 PA
23	Advertising Firms/Agencies	2500 PA
24	Persons using Photocopying machines for job works:	
	(i) Less than 3 Photocopying machines.	Nil
	(ii) Three or more number of Photocopying machines.	1250 PA
¹ [25]	Video Cassette, DVD, CD Libraries.	2500 PA]
26	Each branch and Head Office of Educational Institutions and Tutorial Colleges or such other Institutes other than those owned by the State, Local Bodies or Central Government.	2500 PA
27	Institutes such as Motor Driving Institutes, Technical Training Institutes, Computer Institute selling time, Computer training Institute, Typewriting and shorthand training Institutes by whatever name they are called other than those owned by State or Central Government.	2500 PA
28	Property Developers including Land Developers and Building / Flat Developers.	2500 PA
29	Owners or Lessees of Marriage Halls/Kalyana Mandapams/Auditorium/Convention Halls.	2500 PA
30	Transport Companies and Transport contractors including Forwarding and Clearing agents.	2500 PA
¹ [31]	Weigh Bridge Operators	2500PA]
32	Courier Service Operators	2500 PA
33	Broadcasting and Telecasting Service Providers other than Central Government or State Government agencies.	2500 PA
34	Mobile phone or fixed line phone service providers, Internet Service Providers, Leased Lines Service providers, VSAT Service Providers and Wireless Service Providers.	2500 PA
35	Owners of Call centers and BPO/KPO Centers.	2500 PA
² [36]	*****]	
37	Cyber Cafes.	2500 PA
38	Owners or Lessees of premises, rented or leased out for commercial or industrial purposes, other than those owned by State, Local Bodies or Central Government Agencies.	2500 PA
39	1.Agriculturalist, 2. Persons engaged in performing religious duties, 3. Skilled persons that is to say Gold Smith, Black Smith, Pot Maker, Basket Maker,	Exempted

¹ . Substituted by Act No 42 of 2020, s 2.

² . Omitted by Act No. 42 of 2020, s 2.

	Washerman, Barber, Cobbler, Tailors, Carpenters, Masons, Plumbers, Book Binder, Toddy Tappers and Electricians 4. Physically Handicapped persons with 40% or more disability of any kind, 5. Dry Cleaners.	
¹ [39A]	All Restaurants, Takeaway food points, canteens and curry points.	2500 PA]
40	Persons, other than those mentioned in any of the preceeding entries, who are engaged in any profession, trade or calling or employment with annual income of more than Rs 1,80,000/- but excluding those who are exempted under Section 31 of the Act and Entry No. 39 above.	2500 PA

Second Schedule

Sl.No.	Short title, number of enactments	Amendments
(1)	(2)	(3)
1	The Hyderabad Municipal Corporation Act, 1955 (Act No. II of 1956)	(a) In section 197, in sub-section (1) in Clause (i), sub-clause (e) shall be omitted. (b) section 257 shall be omitted ; (c) In sec.277, in sub-section (1) the words " or profession tax" shall be omitted; (d) In section 278, the words "or profession tax" shall be omitted; (e) Schedule I shall be omitted.
2	The Andhra Pradesh Gram Panchayats Act, 1964 (Act No.2 of 1964).	(a) In section 69 in sub-section (1) clause (b) shall be omitted; (b) section 72 shall be omitted; (c) In section 79, in sub-section (2) in clause (i), the words 'the profession tax' shall be omitted; (d) In Schedule II – (i) the words "C-Profession tax Levy of Maximum and Minimum Rates" and rules 14 to 21 shall be omitted ; (ii) In rule 27, for clause (b), the following clause shall be substituted namely:- "(b) the imposition by the executive authority of tax on any vehicle ; and"; (iii) in rule 33,- (a) in sub-rule (2) the expression "rule 19 or" and the word "Occupation" shall be omitted. (b) in sub-rule (3), the expression "rule 19 or" shall be omitted; (iv) in rule 34, the expression "rule 19 or" shall be omitted; (e) Appendix 'A' shall be omitted.

¹ .Inserted by Act No. 42 of 2020, s 2.

3	The Andhra Pradesh Municipalities Act, 1965 (Act No.6 of 1965)	<p>(a) In section 81, in sub-section (1), in clause (a) sub-clause (ii) shall be omitted;</p> <p>(b) The heading "(ii) Profession Tax, and sections 96 to 102" shall be omitted;</p> <p>(c) In section 326 in sub-section (2), in clause (m), words "profession tax" shall be omitted.</p> <p>(d) In Schedule II,-</p> <p>(i) the heading "Assessment of Profession Tax" and rule 17 to 20 shall be omitted ;</p> <p>(ii) in rule 22, in sub-rule (1), clause (c) shall be omitted ;</p> <p>(iii) In rule 25, in clause (a), in sub-clause (i) for the expression "in sections 99 and 109" the expression "in section 109" shall be substituted;</p> <p>(iv) In rule 29, the expression "section 99 or" in the two places where it occurs shall be omitted ;</p> <p>(v) In rule 30, in sub-rule (1), for the expression "in sections 99 and 109" the expression "in section 109" shall be substituted.</p>
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