

THE MUNICIPAL TAXATION ACT, 1881

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THE MUNICIPAL TAXATION ACT, 1881

ACT NO. 11 OF 1881¹

[25th February, 1881.]

An Act to give power to prohibit the levy of municipal taxes in certain cases.

Preamble.—WHEREAS it is expedient to empower ²[Government] to prohibit, in certain cases, the levy of municipal taxes payable by persons in the military ³[, naval] ⁴[or air-force] service or by the ⁵[State Government]; It is hereby enacted as follows:-

Short title.—This Act may be called the Municipal Taxation Act, 1881.

Local extent.—It extends to the whole of India except ⁶[the territories which, immediately before the 1st November, 1956, were comprised in Part B States].

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2. “Municipal Committee” defined.—In this Act “Municipal Committee”⁸ includes a Municipal Corporation or a body of Municipal Commissioners constituted by or under the provisions of any enactment for the time being in force.

3. Power to prohibit levy of tax.—Notwithstanding anything contained in any enactment for the time being in force, the Central Government may, by an order in writing, prohibit the levy by a Municipal Committee of any ⁹[specified tax payable by any persons subject to the Army Act, 1950 (46 of 1950), the Navy Act, 1957 (62 of 1957), or the Air Force Act, 1950 (45 of 1950), who is compelled by the exigencies of military, naval or air-force duty to reside within the limits of a municipality].

¹⁰* * * * *

The Central Government may, by a like order, rescind any such prohibition.

¹¹[**3A. Power of State Government to prohibit levy of taxes on it.**—Notwithstanding anything in any enactment for the time being in force, the State Government may by an order in writing prohibit the levy by a Municipal Committee of any specified tax payable by the State Government and may by a like order rescind any such prohibition.]

4. Central Government to pay taxes referred to in section 3.—So long as any order made under section 3, prohibiting the levy of a tax on any person mentioned in ¹²* * * that section remains in force, the ¹³[Central Government] shall be liable to pay to the Municipal Committee mentioned in the order the amount which otherwise would have been payable to such Committee by such person:

Provided that the ¹⁴[Central Government] shall not be liable to pay any sum in respect of

1. The Act has been amended in Mysore by Mysore Act 13 of 1974.
2. Subs. by the A.O. 1948, for “the Governor-General in Council”.
3. Ins. by Act 35 of 1934, s. 2 and Sch.
4. Ins. by Act 10 of 1927, s. 2 and Sch. I.
5. Subs. by the A.O. 1948, for “Secretary of State for India in Council”.
6. Subs. by the Adaptation of Laws (No. 2) Order, 1956, for “Part B States”.
7. The words “and shall come into force at once” rep. by Act 10 of 1914, s. 3 and Sch. II.
8. For the purposes of this Act, every Cantonment Board, as defined in the Cantonments Act, 1924 (2 of 1924), is deemed to be a Municipal Committee, *see* s. 97 of that Act.
9. Subs. by Act 58 of 1960, s. 3 and Sch. II, for certain words.
10. The words “or (b) payable by the Secretary of State for India in Council” rep. by the A.O. 1937.
11. Ins., *ibid.*
12. The words “clause (a) of” rep.. *ibid.*
13. Subs. *ibid.*, for “Secretary of State for India in Council”.
14. Subs. *ibid.*, for “said Secretary of State in Council”.

any horse which such person is bound, by the regulations of the service to which he belongs, to keep.

5. Payments be made in lieu of taxes referred to in section 3A.—So long as any order made under ¹[section 3A] prohibiting the levy of any tax payable by the ²[State Government], remains in force, the said ³[State Government] shall be liable to pay to the Municipal Committee, in lieu of such tax, such sums (if any) as an officer from time to time appointed in this behalf by the State Government may, having regard to all the circumstances of the case, from time to time determine to be fair and reasonable.

6. Decision of questions arising under this Act.—If any question arises whether any duty is military, ⁴[naval] ⁵[or air-force] duty within the meaning of this Act, the decision of the Central Government thereon shall be conclusive.

If any question arises whether any person is compelled as aforesaid to reside within the limits of a municipality or is bound as aforesaid to keep any horse, the decision thereon of such authority as the Central Government may, from time to time, appoint in this behalf shall be conclusive.

1. Subs. by the A.O. 1937, for “section 3”.

2. Subs., *ibid.*, for “Secretary of State for India in Council”.

3. Subs., *ibid.*, for “Secretary of State in Council”.

4. Ins. by Act 35 of 1934, s. 2 and the Schedule.

5. Ins. by Act 10 of 1927, s. 2 and the First Schedule.