

**Commissionerate of Municipal Administration.
Chepauk, Chennai-05.**

Roc.No.12503/2018/R1.

Dated: 21.05.2018.

CIRCULAR

Sub: Profession Tax Municipalities and Municipal Corporation –
Quinquennial revision of Profession Tax due from 01.10.2018
– Further instructions - issued - regarding.

Ref:

- 1) G.O. (Ms) No. 11 , Municipal Administration and Water Supply Department, dated:
- 2) The Tamil Nadu District Municipality Act 1920 Sec. 124-D.
- 3) Article 276 Clause (2) Constitution of India.
- 4) This office Circular Letter No. 16723/2014/R4, dated 20.08.2014.
- 5) Government Letter (Ms) No. 45, Municipal Administration and Water Supply (MA.IV) Department, dated 27.04.2018.

In the reference 1st cited, Government had framed new rules called “ The Town Panchayats, Municipalities and Municipal Corporations (Collection of Tax on Professions, Trades, Callings and Employments) Rules, 1999’ and the same came into force from 01.10.1998 i.e., 1998-99 II half year.

As per Rules 16, the council should revise the rate of tax once in five years from the period commencing from the 1st October 1998, by increasing the rate not less than twenty-five percent (25%) and not more than thirty-five percent (35%) of the rate of tax fixed in the Act. The council should not change or revise the slabs of average half-yearly income fixed in the Act.

In this office Circulars 2nd and 3rd cited it was instructed to revise the rate of Professional Tax once in five years by increasing in rate as per the provisions.

However as per Article 276 Clause (2) Constitution of India, the total amount payable in respect of any one person to the state or any one Municipality by the Way of Taxes on Profession, Trades, Callings and Employments should not exceed Rs. 2,500/- per annum.

Since the constitutaion of India fixed a ceiling on levying of Profession Tax no local body should collect more than that of the amount prescribed in the Constitution.

The Commissioners of all Corporations and Municipalities are hereby requested to take immediate action as per the above instructions and to revised rate of Profession Tax from 01/10/2018 i.e., 2018-19 II half year without fail. The confirmation on this count should reach the office of Commissioner of Municipal Administration on or before 30.05.2018, which will be viewed critically.

The receipt of this Circular should be acknowledged by return of post.

To
All Commissioners of
Corporations and Municipalities

Sd/-G.Prakash
Commissioner of Municipal Administration,

//Forwarded by order//

Copy to :

1. The Principal Secretary to Government,
Municipal Administration and
Water Supply Department, Chennai – 9.
2. All RDMA's
3. Stock file.

[Handwritten Signature]
21.5.18
Superintendent.

03.5.18
21/5/18