



The Meghalaya Tax on Luxuries (Hotels and Lodging Houses) Act, 1991

Act 8 of 1991

Keyword(s):

Assessing Officer, Business, Hotel, Hotelier, Luxury Provided in a Hotel, Place of Business, Register Hotelier, Tax, Turnover of Receipts

Amendments appended: 4 of 2002, 15 of 2011, 5 of 2017

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MEGHALAYA ACT 8 OF 1991

**THE MEGHALAYA TAX ON LUXURIES (HOTELS AND LODGING HOUSES)
BILL, 1991**

(As passed by the Meghalaya Legislative Assembly)

[Received the assent of the Governor on the 29th July, 1991]

(Published in the Gazette of Meghalaya, Extra-ordinary dated 30th July, 1991)

An

Act

To provide for the imposition of a tax on luxuries in hotels and lodging houses.

Be it enacted by the Legislature of the State of Meghalaya in the Forty-second Year of the Republic of India as follows:-

- | | | |
|--------------------------------------|---|--|
| Short title, extend and commencement | 1 | (1) This Act may be called the Meghalaya Tax on Luxuries (Hotels and Lodging Houses) Act, 1991
(2) It extends to the whole of the State of Meghalaya.
(3) It shall come into force with immediate effect. |
| Definition | 2 | In this Act, unless the context otherwise requires-
(a) “assessing officer” means the officer competent to assess the tax and exercise the powers and functions as referred to in section 5 of this Act;
(b) “business” includes the activity of providing lodging in a hotel and any other service in connection with incidental or ancillary to such activity for monetary consideration;
(c) “hotel” include a lodging house, an inn, a public house or a building or part of a building where lodging is provided by way of business;
(d) “hotelier” means a person including a firm or company or society or association who owns the hotel and also a person who for the time being is in-charge of the management of the hotel;
(e) “luxury provided in a hotel” means accommodation and services including air conditioning, telephone, television, radio, music, entertainment and the like provided in a hotel but does not include the supply of food or drinks where such supply is separately charged for;
(f) “place of business” includes an office, or any other place which a hotelier uses for the purposes of his business of where he keeps his books of accounts; |

- (g) "prescribed" means prescribed by rules made under this Act;
- (h) "register hotelier" means a hotelier registered under section 6 of this Act;
- (i) "rules" means rules made under this Act;
- (j) "section" means a section of this Act;
- (k) "State Government" means the Government of the state of Meghalaya;
- (l) "tax" means the tax leviable under this Act; and
- (m) "turnover of receipts" means the aggregate of the amounts of monetary consideration received or receivable by a hotelier or by his agent in respect of the luxury provided in a hotel during a given period but does not include any amount collected separately on account of any other tax payable by a hotelier;

Liability to tax 3

- (1) Subject to the provisions of this Act there shall be levied a tax on the turnover of receipts at the following rates, that is, where the charge per day per individual for luxury provided in a hotel-

- | | |
|--|---|
| (a) Is less than rupees forty five | Nil |
| (b) Is rupees forty five or more but does not exceed rupees seventy five | 10 percent of the turnover of the receipts. |
| (c) Exceeds rupees seventy five but does not exceed rupees one hundred | 12 ½ percent of the turnover of receipts |
| (d) Exceeds rupees one hundred but does not exceed two hundred. | 15 percent of the turnover of receipts |
| (e) Exceeds rupees two hundred but does not exceed rupees three hundred. | 17 ½ percent of the turnover of the receipts. |
| (f) Exceeds rupees three hundred. | 20 percent of the turnover of the receipts. |

- (2) Where a charge is made for a total number of days or individuals, the average charge for each day or individual shall be worked out therefrom for the purpose of sub-section (1)

- (3) Where additional services charges are levied and appropriated by a hotelier and not paid to the staff, such charges shall be deemed to be part of the charges for luxury provided in the hotel for the purpose of sub-section (1)
- (4) Where luxury provided in a hotel to any person not being an employee of the hotel is not charged or is charged at a concessional rate the tax shall be lived and collected as it normal charges for such luxury and been paid to the hotelier.
- (5) Where luxury provided in a hotel for a specified number of persons is shared by more than the number specified then unless the additional person is a child occupying the room along with his parent or guardian and no separate charge is recovered for the child tax shall be levied and recovered separately in respect of the extra person accommodated.

Explanation- For the purpose of this sub-section, “child” means a person who has not completed twelve years of age.

- (6) Any amount of tax payable under this Act shall be rounded off to the nearest rupee.

Liability of hotelier to pay the tax 4

- (1) The tax leviable under this Act shall be paid to Government by a hotelier.
- (2) If a person other than the owner is for the time being in-charge of the hotel, then such person and the owner shall jointly and severally be liable to pay the tax.

Exercise of Powers and the authorities 5

The authorities competent to assess, recover and enforce payment of tax, hear appeal and exercise powers and functions incidental there to under the Meghalaya Sale Tax Act and the rules framed there under shall, within the local limits of their jurisdiction, be the authorities competent to exercise the corresponding powers and functions under this Act as if the tax were a tax and the hotelier, a dealer within the meaning of this Act;

Registration 6

- (1) No hotelier who is liable to pay the tax under section 3 shall run the business unless he possess a valid certificate of registration as provided under this Act;

Provided that such hotelier who at the commencement of this Act is running the business may continue to do so but shall apply to the assessing officer for registration within thirty days there from.

- (2) Every hotelier who is required to possess a certificate of registration shall apply in the prescribed form to the assessing officer within thirty days from the date on which he first becomes liable to pay the tax.
- (3) If the assessing officer after such enquiry as he deems fit to make is satisfied that an application for registration is in order he shall register the applicant and issue to him a certificate of registration in the prescribed form.
- (4) The assessing officer may, after considering any information furnished or received under any provisions of this Act, amend from time to time the certificate of registration.
- (5) Where a registered hotelier discontinues, transfers or otherwise disposes of the business or where he causes to be liable to pay the tax and he applies in the prescribed form to the assessing officer for cancellation of the registration, the latter shall, after such enquiry as may be necessary cancel the certificate of registration with effect from such date as he may fix in accordance with the rules.
- (6) Where the assessing officer is satisfied that any registered hotelier has continued, transferred or otherwise disposed of the business and has failed to apply under sub-section (5) for cancellation of the registration the assessing officer may after giving the hotelier a reasonable opportunity of being heard, cancel the certificate of registration with effect from such date as he may fix to be the date from which the said activity has been discontinued, transferred or otherwise disposed of :

Provided that the cancellation of the certificate of registration shall not effect the liability of the hotelier to pay the tax, including any penalty, due for any period up to the date of cancellation whether the tax (including any penalty) is assessed before or after the date of cancellation.

Registration certificate not transferable	7	Save as otherwise provided in section 9, a certificate of registration shall be personal to the hotelier to whom it is granted and shall not be transferable.
Information to be furnished regarding changes in business	8	<ol style="list-style-type: none"> (1) If a hotelier liable to pay tax under this Act- <ol style="list-style-type: none"> (a) Sells or otherwise disposes of his business or any parts thereof, or makes any other change in the ownership of the business;

- (b) Discontinues his business or change the name, nature or place thereof or opens a new place of business; or
 - (c) Enters into partnership or association in regard to his business.
 - (d) He shall within the prescribed time inform the assessing officer of the change.
- (2) Where a hotelier dies, his executor, administrator or other legal representative or where any such hotelier is a firm and there is a change in the constitution of the firm or the firm is dissolved every person who was a partner thereof shall, in like manner, inform the assessing officer of such death or, as the case may be, change or dissolution of the firm.

Certificate of registration to continue in certain circumstances.

9

Where a registered hotelier-

- (a) Effect any change in the name of his business;
- (b) Is a firm, and there is a change in the constitution of the firm without dissolving it; or
- (c) Is a trustee of a trust, and there is change in the trustees thereof.

It shall not be necessary for the hotelier or the firm with the changed constitution or the new trustees to apply for a fresh certificate of registration and on information being furnished in the manner required by section 8, the certificate of registration shall be amended accordingly.

Returns

10

- (1) Every registered hotelier shall furnished returns for such periods, by such dates and to such authority as may be prescribed.
- (2) If a hotelier discovers any omission or incorrect statement in the returns furnished under sub-section (1) he shall furnish revised returns before the expiry of three months next following the last date prescribed for furnishing the original returns.

Prohibition against collection of tax in certain cases and imposition of penalty.

11

(1) No hotelier-

- (a) Who is not required to pay the tax, shall collect it from any person; and
- (b) Who is not required to pay the tax, shall collect it from any person any amount on that account in excess of that due under this Act.

- (2) Whoever contravenes the provisions of sub-section (1) shall be punishable with fine of Rupees two thousand or twice the amount collected or as the case may be, collected in excess of the tax due whichever is higher and the amount so collected shall be forfeited to the State Government and the person from whom the hotelier had recovered it may claim for its refund from the Government within one year from the date he became aware of its forfeiture.
- Bill of each memorandum to be issued to a customer 12 A registered hotelier shall issue to a customer a bill or cash memorandum serially numbered, signed and dated by him or his employee, manager or agent showing therein such particulars as may be prescribed and shall retain the counterfoil or duplicate copy of such bill or cash memorandum and preserve it for a period of not less than eight years.
- Accounts 13 (1) Every hotelier liable to pay tax under this Act and every hotelier who is required so to do by the assessing officer shall keep a true account of the luxury provided by him in the hotel in such form as may be prescribed.
(2) The commissioner of taxes by notice in writing direct any hotelier or by notification in the Official Gazette direct any class of hoteliers to maintain accounts and records showing such particulars regarding their business in such form and in such manner as may be specified by him.
(3) A registered hotelier shall keep all books of accounts, registers and documents relating to his business at the place of business specified in the certificate of registration or, with his previous approval, at such other place as the assessing officer may allow.
- Declaration in respect of a Hotelier which is a firm, company, etc. 14 Where a hotelier is a firm, company, society, association or trust the person who is in charge of and is responsible to the firm, company, society, association or trust, as the case may be shall furnish a declaration stating the names of the persons who are members of the Board of Directors or Governing Body thereof and such other particulars as may be prescribed.
- Offences and imposition of penalty 15 (1) A hotelier who under section 10 knowingly furnishes false returns shall on conviction be punished:-

- (a) Where the tax attempted to be evaded by submission of the false returns exceeds rupees ten thousand, which rigorous imprisonment for a term which shall not be less than six months but which may extend to three years and with fine which may extend to rupees two thousand; and
 - (b) In any other case with rigorous imprisonment for a term which shall not be less than three months but which may extend to one year and with fine which may extend to rupees one thousand.
- (2) A hotelier who knowingly keeps false copies of bills or cash memoranda as required under section 12 or accounts or other books as required under section 13 shall on conviction be punished with rigorous imprisonment for a term which shall not be less than three months but which may extend to one year and with fine which may extend to rupees one thousand.
- (3) A hotelier who attempts in any manner to evade payment of the tax shall on conviction, be punished-
- (a) Where the amount involved exceeds rupees fifty thousand, with rigorous imprisonment for term which shall not be less than six months but which may extend to three years and with fine which may extend to rupees two thousand; and
 - (b) In any other case, with rigorous imprisonment for a term which shall not be less than three months but which may extend to one year and with fine which may extend to rupees one thousand.
- (4) Whoever contravenes the provisions of section 6 or fails to comply with those of sections 8 or 10 to issue a bill or cash memorandum to any customer as required under section 12 or whoever obstructs and prevents an officer from discharging his duties under this Act shall on conviction be punished with imprisonment for a term which may extend to one year or with fine or with both.
- (5) Whoever aids or abets any person in the commission of any offence under this Act or rules framed there under shall, on conviction, be punished with rigorous imprisonment which shall not be less than three months but which may extend to one year and with fine which may extend to rupees one thousand.

Power to make rules

16

- (1) The State Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.
- (2) In particular and without prejudice to the generality of the foregoing provision, such rules may provide for all or any of the following matters, namely;

- (a) The manner of payment or refund of tax;
 - (b) The form in which accounts and registers shall be maintained by a hotelier;
 - (c) The manner in which registration under section 6 is to be made and the form of licence to be granted;
 - (d) The form of returns to be submitted;
 - (e) The manner of and period for payment of the tax; and
 - (f) Any other matter which is required to be prescribed for the purpose of this Act.
- (3) Rules, except rules made for the first time, shall be subject to the condition of previous publication for a period of not less than three weeks.

Power to reserve difficulties

17 If any difficulty arises in giving effect to any provision of this Act the State Government may, by general or special order, do anything not inconsistent with such provision for the purpose of removing the difficulty.

The 8th May, 2002

No. LL(B) 33/91/155- The Meghalaya Tax on Luxuries (Hotel and Lodging Houses) (Amendment) Act, 2002 (Act No.4 of 2002) is hereby published for general information.

MEGHALAYA ACT NO. 4 OF 2002

(As passed by the Meghalaya Legislative Assembly)

(Published in the Gazette of Meghalaya, Extra-ordinary issue, dated 7th May, 2002)

THE MEGHALAYA TAX ON LUXURIES (HOTEL AND LODGING HOUSES) ACT,
2002.

An

Act

Further to amend the Meghalaya Tax on Luxuries (Hotels and Lodging Houses) Act, 1991

Be it enacted by the Legislature of the State of Meghalaya in the Fifty-third Year of the Republic of India as follows:-

- | | | |
|---|---|--|
| Short title and commencement | 1 | (1) This Act may be called the Meghalaya Tax on Luxuries (Hotels and Lodging Houses) *(Amendment) Act, 2002
(2) It shall be deemed to have come into force on and from 18 th January, 2002 |
| Amendment of Section 3 of Act 8 of 1991 | 2 | In the Meghalaya tax on Luxuries (Hotels and Lodging Houses) Act, 1991, in sub-section (1) of Section 3, against-
i) Item (b), for figure and words "5 percent", the figure and words "10 percent";
ii) Item (c), for the figure and words "6 ½ percent"; the figure and words "11 ½ percent";
iii) Item (d) for the figure and words "7 ½ percent"; the figure and words "12 ½ percent";
iv) Item (e), for the figure and words "9 percent"; the figure and words "14 percent"; |
| Repeal | 3 | The Meghalaya Tax on Luxuries (Hotels and Lodging Houses) (Amendment) Ordinance, 2002, (Ordinance No. 2 of 2002) is hereby repealed. |

L.M.SANGMA,
Deputy Secretary, to the
Government of Meghalaya,
Law (B) Department

The 10th October, 2011.

No.LL(B)33/91/263.—The Meghalaya Tax on Luxuries (Hotels and Lodging Houses) (Amendment) Act, 2011 (Act No. 15 of 2011) is hereby published for general information.

MEGHALAYA ACT NO. 15 OF 2011.

(As passed by the Meghalaya Legislative Assembly)

Received the assent of the Governor on 7th October, 2011.

Published in the Gazette of Meghalaya Extra-Ordinary issue dated 10th October, 2011.

**THE MEGHALAYA TAX ON LUXURIES (HOTELS AND LODGING HOUSES)
(AMENDMENT) ACT, 2011**

An

Act

Further to amend the Meghalaya Tax on Luxuries (Hotels and Lodging Houses) Act, 1991.

Be it enacted by the Legislature of the State of Meghalaya in the Sixty-second Year of the Republic of India as follows:-

Short title and commencement .

1. (1) This Act may be called the Meghalaya Tax on Luxuries (Hotels and Lodging Houses) (Amendment) Act, 2011.

(2) It shall come into force at once.

Amendment of Section 3.

2. In section 3 of the Meghalaya Tax on Luxuries (Hotels and Lodging Houses) Act, 1991, for clauses (a), (b), (c), (d), (e) and (f), the following new clauses (a), (b), (c), (d), (e), and (f) shall be substituted, namely,-

“(a) is below Rs. 200/- 5%

(b) exceeds Rs. 200/-
but does not exceed Rs. 500/- 7%

(c) exceeds Rs. 500/-
but does not exceed Rs. 1000/- 8%

(d) exceeds Rs. 1000/-
but does not exceed Rs. 2500/- 10%

(e) exceeds Rs. 2500/- 20%”

L. M. SANGMA,
Secretary to the Government of Meghalaya,
Law Department.



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PART-IV

GOVERNMENT OF MEGHALAYA

LAW (B) DEPARTMENT

NOTIFICATION

The 4th April, 2017.

No.LL(B)33/91/278.—The Meghalaya Tax on Luxuries (Hotels and Lodging Houses) (Amendment) Act, 2017 (Act No. 5 of 2017) is hereby published for general information.

MEGHALAYA ACT NO. 5 OF 2017.

(As passed by the Meghalaya Legislative Assembly)

Received the assent of the Governor on 1st April, 2017.

Published in the Gazette of Meghalaya Extra-Ordinary issue dated 4th April, 2017.

**THE MEGHALAYA TAX ON LUXURIES (HOTELS AND LODGING HOUSES)
(AMENDMENT) ACT, 2017**

An

Act

**further to amend the Meghalaya Tax on Luxuries (Hotels and Lodging Houses)
Act, 1991**

(Act No. 8 of 1991)

Be it enacted by the Legislature of the State of Meghalaya on the Sixty Eighth Year of the Republic of India as follows:-

Short title and commencement.

1. (i) This Act may be called the Meghalaya Tax on Luxuries (Hotels and Lodging Houses) Amendment Act, 2017.
- (ii) It shall come into force from the date of the notification in the official Gazette.

Insertion of new Section 15A of the Meghalaya Act No. 8 of 1991.

2. In the Meghalaya Tax on Luxuries (Hotels and Lodging Houses) Act, 1991 after Section 15, new section 15A shall be added, namely-

15(A)(i) Interest payable by dealer - (1) If any dealer does not pay the full amount of tax payable by him under this Act by the date on which it falls due as per provisions of the Act, simple interest at the rate of two per centum per month from the date of issue of this notification shall be payable by him on the amount by which the tax paid, if any, by the aforesaid due date falls short of the tax payable. No interest under this sub-section shall be payable if the amount of tax paid by the aforesaid due date is not less than ninety per centum of the tax payable.

(ii) Where any interest payable by any dealer under the foregoing provisions is not paid in full, the Assessing Officer shall determine the amount payable by an order in writing.

(iii) If as a result of any proceeding under this Act the amount of tax in respect of which interest is payable by the dealer under the foregoing provisions varies, the Assessing Officer shall correspondingly reduce or enhance, as the case may be the interest so payable.

(iv) When a dealer is in default or is deemed to be in default in making the payment, he shall be liable to pay simple interest on

such amount at the rate of two percent per month from the date of such default for so long as he continues to make default in the payment of the said tax.

(v) Where any amount of tax payable is enhanced by any such order, interest shall be payable on the amount by which the tax is enhanced after the expiry of a period of three months from the date of this order.

(vi) Where a realisation of any amount remains stayed by the order of any court or authority and such order is subsequently vacated, interest shall be payable also for any period during which such order remain in operation.

W. KHYLLEP,
Secretary to the Govt. of Meghalaya,
Law Department.