

Bill No. 159 of 2017

**THE PUNJAB MUNICIPAL CORPORATION LAW (EXTENSION TO
CHANDIGARH) AMENDMENT BILL, 2017**

A

BILL

*further to amend the Punjab Municipal Corporation Law (Extension to
Chandigarh) Act, 1994.*

BE it enacted by Parliament in the Sixty-eighth Year of the Republic of India as follows:—

1. (1) This Act may be called the Punjab Municipal Corporation Law (Extension to Chandigarh) Amendment Act, 2017.

Short title and
commence-
ment.

5 (2) It shall be deemed to have come into force on the 1st day of July, 2017.

Amendment of
Act 45 of 1994.

2. In the Punjab Municipal Corporation Law (Extension to Chandigarh) Act, 1994, in the Schedule, in Part II, in section 90,—

(A) for clause (a), the following shall be substituted, namely:—

'(a) in sub-section (1),—

(i) clauses (b) and (c) shall be omitted;

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(ii) in clause (e), the word "and" occurring at the end, shall be omitted;

(iii) after clause (f), the following clause shall be inserted, namely:—

"(g) a tax on entertainments and amusements." ' ;

(B) for clause (b), the following shall be substituted, namely:—

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'(b) in sub-section (6),—

(i) after the words and figures "Punjab Motor Vehicles Taxation Act, 1924," the words "as applicable to the Union territory of Chandigarh", shall be inserted;

(ii) clauses (d) and (e) shall be omitted.'.

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Repeal and
savings.

3. (1) The Punjab Municipal Corporation Law (Extension to Chandigarh) Amendment Ordinance, 2017 is hereby repealed.

Ord. 2 of 2017.

(2) Notwithstanding such repeal, anything done or any action taken under the Punjab Municipal Corporation Law (Extension to Chandigarh) Act, 1994, as amended by the said Ordinance, shall be deemed to have been done or taken under the corresponding provisions of the said Act, as amended by this Act.

45 of 1994.

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STATEMENT OF OBJECTS AND REASONS

The Constitution (One Hundred and First Amendment) Act, 2016 confers simultaneous powers on Parliament and the State Legislatures to make laws for levy of goods and services tax on the supplies of goods and services. The said Act has also made amendments in entry 62 of List-II (State List) of the Seventh Schedule to the Constitution.

2. Vide section 17 of the Constitution (One Hundred and First Amendment) Act, 2016, entry 62 of List-II (State List) of the Seventh Schedule to the Constitution has been substituted to read as "Taxes on entertainments and amusements to the extent levied and collected by a Panchayat or a Municipality or a Regional Council or a District Council."

3. The Central Government has implemented the Central Goods and Services Tax Act, 2017 and the Union Territory Goods and Services Tax Act, 2017 with effect from 1st July, 2017. Consequently, section 90 of the Punjab Municipal Corporation Law (Extension to Chandigarh) Act, 1994 was amended by the Punjab Municipal Corporation Law (Extension to Chandigarh) Amendment Ordinance, 2017 to transfer power of the Central Government to levy taxes on entertainments and amusements in Union territory of Chandigarh to the Municipal Corporation, Chandigarh.

4. As Parliament was not in session and an urgent legislation was required to be made, the President promulgated the Punjab Municipal Corporation Law (Extension to Chandigarh) Amendment Ordinance, 2017 (Ord. 2 of 2017) on first day of July, 2017.

5. The Bill seeks to replace the said Ordinance.

NEW DELHI;

ARUN JAITLEY.

The 25th July, 2017.

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE CONSTITUTION OF INDIA

**[Copy of Letter No. S.31011/18/2017-SO (ST)-I-DoR from Shri Arun Jaitley,
Minister of Finance and Corporate Affairs to the Secretary General, Lok Sabha]**

The President, having been informed of the subject matter of the proposed Punjab Municipal Corporation Law (Extension to Chandigarh) Amendment Bill, 2017, recommends the introduction of the Bill in the House under clause (1) of article 117, of the Constitution of India.

FINANCIAL MEMORANDUM

Clause 2 of the Bill provides for removal of power of the Central Government for levying taxes on entertainments and amusements in the Union territory of Chandigarh and empowers the Municipal Corporation Chandigarh to levy the said tax. This Bill will not incur any extra expenditure on Consolidated Fund of India.

Memorandum explaining the modifications in the Bill to replace the Punjab Municipal Corporation Law (Extension to Chandigarh) Amendment Ordinance, 2017.

Clause 2 of the Bill is proposed to be modified so as to align the same with the provisions of the Punjab Municipal Corporation Law (Extension to Chandigarh) Act, 1994 and section 90 in Part II of the Schedule to the said Act as under:—

(a) to insert the words and figures "in Part II of the Schedule" in the opening para;

(b) to substitute sub-clauses (i) as under:—

'(a) in sub-section (1),—

(i) clauses (b) and (c) shall be omitted;

(ii) in clause (e), the word "and" occurring at the end, shall be omitted;

(iii) after clause (f), the following clause shall be inserted, namely:—

"(g) a tax on entertainments and amusements." ;

(B) for clause (b), the following shall be substituted, namely:—

'(b) in sub-section (6),—

(i) after the words and figures "Punjab Motor Vehicles Taxation Act, 1924," the words "as applicable to the Union territory of Chandigarh", shall be inserted.'

2. The said modifications are drafting and consequential in nature.

ANNEXURE

EXTRACT FROM THE PUNJAB MUNICIPAL CORPORATION LAW (EXTENSION TO CHANDIGARH)
ACT, 1994

(45 OF 1994)

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THE SCHEDULE

(See section 2)

THE PUNJAB MUNICIPAL CORPORATION ACT, 1976
(PUNJAB ACT 42 OF 1976)

PART I

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PART II

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Section 90,—

(a) in sub-section (1), omit clauses (b) and (c);

(b) in sub-section (6), after "Punjab Motor Vehicles Taxation Act, 1924", "Punjab
Entertainments Duty Act, 1955" and "Punjab Entertainments tax (Cinematograph Show)
Act, 1954", add respectively "as applicable to the Union territory of Chandigarh".

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LOK SABHA

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BILL

further to amend the Punjab Municipal Corporation Law (Extension to Chandigarh) Act, 1994.

(Shri Arun Jaitley, Minister of Finance)