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# The Gujarat Government Gazette

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Separate paging is given to this part in order that it may be filed as a Separate Compilation.

### PART-V

#### Bills introduced in the Gujarat Legislative Assembly

(To be translated into Gujarati and the translation to be published in the *Gujarat Government Gazette*. The date of publication to be reported.)

The following Bill is published with the consent of the Speaker given under the proviso to rule 127A of the Gujarat Legislative Assembly Rules :-

#### THE GUJARAT TAXATION LAWS (AMENDMENT) BILL, 2014.

#### GUJARAT BILL NO. 9 OF 2014.

#### A BILL

*further to amend certain taxation laws.*

It is hereby enacted in the Sixty-fifth Year of the Republic of India as follows:-

1. This Act may be called the Gujarat Taxation Laws (Amendment) Act, 2014. Short title.
2. Each of the Acts specified in the second column of the Schedule shall be amended in the manner and to the extent specified against it in the third column thereof. Amendment of certain taxation laws.

## SCHEDULE

| Sr. No. | Short title                                                                                                           | Extent of Amendment.                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------|-----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | 2                                                                                                                     | 3                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 1.      | The Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976.<br>(President's Act No. 11 of 1976) | Insertion of new section 17A in President's Act No. 11 of 1976.<br><br>Tax to be first charge on property. | In the Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976, after section 17, the following section shall be inserted, namely : -<br><br>“17A. Notwithstanding anything to the contrary contained in any law for the time being in force, any amount payable by a person on account of tax, interest or penalty for which he is liable to pay to the Government, shall be a first charge on the property of such person.”.                         |
| 2.      | The Gujarat Entertainments Tax Act, 1977.<br>(Guj. 16 of 1977)                                                        | Insertion of new section 19A in Guj. 16 of 1977.<br><br>Tax to be first charge on property.                | In the Gujarat Entertainments Tax Act, 1977, after section 19, the following section shall be inserted, namely : -<br><br>“19A. Notwithstanding anything to the contrary contained in any law for the time being in force, any amount payable by a proprietor or any other person on account of tax, interest or penalty for which he is liable to pay to the Government, shall be a first charge on the property of such proprietor or, as the case may be, such person.”. |

|    |                                                                                           |                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----|-------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3. | The Gujarat Tax on Luxuries (Hotels and Lodging Houses) Act, 1977. (Guj. 24 of 1977)      | Insertion of new section 8AA in Guj. 24 of 1977.<br><br>Tax to be first charge on property. | In the Gujarat Tax on Luxuries (Hotels and Lodging Houses) Act, 1977, after section 8, the following section shall be inserted, namely :-<br><br>“8AA. Notwithstanding anything to the contrary contained in any law for the time being in force, any amount payable by a proprietor or any other person on account of tax, interest or penalty for which he is liable to pay to the Government, shall be a first charge on the property of such proprietor or, as the case may be, such person.”. |
| 4. | The Gujarat Tax on Entry of Specified Goods into Local Areas Act, 2001. (Guj. 22 of 2001) | Insertion of new section 16A in Guj. 22 of 2001.<br><br>Tax to be first charge on property. | In the Gujarat Tax on Entry of Specified Goods into Local Areas Act, 2001, after section 16, the following section shall be inserted, namely :-<br><br>“16A. Notwithstanding anything to the contrary contained in any law for the time being in force, any amount payable by a person on account of tax, interest or penalty for which he is liable to pay to the Government, shall be a first charge on the property of such person.”.                                                           |

## STATEMENT OF OBJECTS AND REASONS

It is well settled law that sovereign debts or outstanding dues of the State Government are given priority over other debts. Citizens are bound to pay statutory debts before they pay their dues to other creditors. The statutory dues have priority over the dues of secured creditors if there is a provision in the particular Statute.

The Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976, the Gujarat Entertainments Tax Act, 1977, the Gujarat Tax on Luxuries (Hotels and Lodging Houses) Act, 1977 and the Gujarat Tax on Entry of Specified Goods into Local Areas Act, 2001 do not have any provision which creates statutory first charge on the amount payable by a proprietor or by a person, as the case may be, on account of tax, interest or penalty which he is liable to pay to the State Government and, therefore, dues recoverable under the said Acts shall have preference over the unsecured dues but not over the secured dues. It is, therefore, considered necessary to create a statutory first charge on the dues to be payable to the State Government by a proprietor or by a person under the said Acts. By creating the first charge on the property of such proprietor or person, as the case may be, dues recoverable under the said Acts shall have priority over the secured debts. A new section 17A in the Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976, a new section 19A in the Gujarat Entertainments Tax Act, 1977, a new section 8AA in the Gujarat Tax on Luxuries (Hotels and Lodging Houses) Act, 1977, and a new section 16A in the Gujarat Tax on Entry of Specified Goods into Local Areas Act, 2001 are, therefore, proposed to be inserted.

This Bill seeks to amend the said Acts to achieve the aforesaid object.

Dated the 25<sup>th</sup> June, 2014.

**SAURABH PATEL.**

By order and in the name of the Governor of Gujarat,

**Arvind Agarwal.**

Gandhinagar,  
Dated the 25<sup>th</sup> June, 2014.

Principal Secretary to the Government of Gujarat,  
Legislative and Parliamentary Affairs Department.