

Under Rule 130 of the Tamil Nadu Legislative Assembly Rules, the following Bill which was introduced in the Legislative Assembly of the State of Tamil Nadu on 14th September, 2011 is published together with Statement of Objects and Reasons for general information:—

L.A. Bill No. 27 of 2011

A Bill further to amend the Tamil Nadu Entertainments Tax Act, 1939.

BE it enacted by the Legislative Assembly of the State of Tamil Nadu in the Sixty-second Year of the Republic of India as follows:—

1. (1) This Act may be called the Tamil Nadu Entertainments Tax (Second Amendment) Act, 2011.

Short title and
commence-
ment.

(2) It shall come into force at once.

2. In section 3 of the Tamil Nadu Entertainments Tax Act, 1939 (hereinafter referred to as the principal Act),—

Amendment of
section 3.

(1) after clause (3-A), the following clause shall be inserted, namely:—

“(3-B) “direct to home service” means distribution of multi channel television programmes by using a satellite system by providing television signals direct to subscribers’ premises without passing through an intermediary such as cable operator;”;

(2) in clause (4), after the expression “Snooker or the like is provided”, the expression “or direct to home service or a cricket tournament conducted by the Indian Premier League” shall be added;

(3) in clause (9), after the expression “recreation parlour”, the expression “or any person providing direct to home service or the Indian Premier League” shall be inserted;

(4) to clause (10), the following proviso shall be added, namely:—

“Provided that in the case of a cricket tournament conducted by the Indian Premier League, any complimentary ticket issued in excess of two per cent of the seating capacity of the stadium shall be taxable.”.

3. In section 4 of the principal Act, in sub-section (1), in clause (a),—

Amendment of
section 4.

(1) in sub-clause (i),-

(i) in item (A), for the expression “fifteen per cent”, the expression “thirty per cent” shall be substituted;

(ii) in item (B), for the expression “ten per cent”, the expression “twenty per cent” shall be substituted;

(2) in sub-clause (ii), for the expression “ten per cent”, the expression “twenty per cent” shall be substituted.

4. After section 4-H of the principal Act, the following sections shall be inserted, namely:—

Insertion of
new sections
4-I and 4-J.

“4-I. *Tax on direct to home service.*—(1) Notwithstanding anything contained in sections 4 and 7, there shall be levied and paid to the State Government a tax (hereinafter referred to as the ‘entertainment tax’) calculated at the rate of thirty per cent of the gross charges excluding the service tax, received by the provider of a direct to home service.

(2) The tax levied under sub-section (1) shall be recoverable from the proprietor.

(3) The provisions of this Act (other than sections 4, 7 and 13) and the rules made thereunder shall, so far as may be, apply in relation to the tax payable under sub-section (1).

4-J. Tax on Cricket Tournament conducted by Indian Premier League.—

(1) Notwithstanding anything contained in sections 4 and 7, there shall be levied and paid to the State Government a tax (hereinafter referred to as the (entertainment tax') on any cricket tournament conducted by the Indian Premier League calculated at the rate of twenty five per cent of the gross payment for admission inclusive of the amount of tax.

(2) The tax levied under sub-section (1) shall be recoverable from the proprietor.

(3) The provisions of this Act (other than sections 4(1), 7 and 13) and the rules made thereunder shall, so far as may be, apply in relation to the tax payable under sub-section (1).".

Amendment of
section 7-A.

5. In section 7-A of the principal Act,—

(1) in sub-section (1), after the expression "recreation parlour", the expression "or direct to home service" shall be inserted;

(2) in sub-section (3), after the expression "section 4-G", the expression "or section 4-I or section 4-J" shall be inserted.

Amendment of
section 7-B.

6. in section 7-B of the principal Act,—

(1) in sub-section (1),—

(a) after the expression "any amount collected for television exhibition", the expression "or any charges received for direct to home service" shall be inserted;

(b) after the expression "or 4-G", the expression "or 4-I or 4-J" shall be inserted;

(c) after the expression "on such payment for recreation parlour under section 4-G", the expression "or on such charges received for direct to home service under section 4-I or on such payment for admission to a cricket tournament conducted by the Indian Premier League under section 4-J" shall be inserted;

(2) in sub-section (2),—

(a) after the expression "any amount collected for television exhibition", the expression "or any charges received for direct to home service" shall be inserted;

(b) after the expression "or 4-G", the expression "or 4-I or 4-J" shall be inserted;

(c) after the expression "on such payment for recreation parlour under section 4-G", the expression "or on such charges received for direct to home service under section 4-I or on such payment for admission to a cricket tournament conducted by the Indian Premier League under section 4-J" shall be inserted;

Amendment of
section 10.

7. in section 10 of the principal Act, in sub-section (1), after the expression "or section 4-G", the expression "or section 4-I or section 4-J" shall be inserted.

STATEMENT OF OBJECTS AND REASONS.

The Tamil Nadu Entertainments Tax Act, 1939 (Tamil Nadu Act X of 1939) does not contain any provision to levy tax in respect of entertainment provided by DTH (Direct to Home service) and the cricket tournaments organised by the Indian Premier League (IPL). In certain States, entertainment tax has been levied on DTH service and on cricket tournaments conducted by the IPL. The Government have, therefore, decided to include the DTH service and the cricket tournaments conducted by the IPL within the definition of the term "entertainment" and to levy entertainment tax under the said Act.

2. In order to mobilise additional revenue resources, the Government have also decided to increase the rate of tax for admission to any cinematography exhibition in a theatre under the said Act.

3. The Government have, therefore, decided to amend the Tamil Nadu Entertainment Tax Act, 1939 (Tamil Nadu Act X of 1939) suitably, for the above said purposes.

4. The Bill seeks to give effect to the above decisions.

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*Minister for Commercial Taxes
and Registration.*

A.M.P. JAMALUDEEN,
Secretary.