



The Uttar Pradesh Vritti, Vyapar, Ajivika Aur Sevayojan Kar Adhiniyam, 1965
Act 21 of 1965

Keyword(s):

Charitable Purpose, Company, Co-Operative Society, Person, Previous Principal Officer, Revising Authority, Total Gross Income

Amendments appended: 24 of 1970, 36 of 1970

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UTTAR PRADESH VRIITI, VYAPAR, AJIVIKA AUR
SEVAYOJAN KAR ADHINIYAM, 1965

[U. P. ACT NO. XXI OF 1965]

(*Authoritative English Text of the Uttar Pradesh Vritti, Vyapar, Ajivika Aur Sevayojan Kar Adhiniyam, 1965)

AN
ACT

to provide for the levy of a tax on professions, trades, callings and employments in Uttar Pradesh

IT IS HEREBY enacted in the Sixteenth Year of the Republic of India as follows—

CHAPTER I

Preliminary

1. (1) This Act may be called the Uttar Pradesh Vritti, Vyapar, Ajivika Aur Sevayojan Kar Adhiniyam, 1965.

Short title and extent.

(2) It extends to the whole of Uttar Pradesh.

2. In this Act, unless the context otherwise requires,—

Definitions.

(1) "appellate authority" means such officer as may be authorised by the State Government to perform the functions of appellate authority under this Act ;

(2) "assessing authority" means such officer as may be authorised by the State Government to perform the functions of assessing authority under this Act ;

(3) "charitable purpose" includes relief to the poor, education, medical relief and the advancement of any other object of general public utility not involving the carrying on of any activity for profit ;

(4) "company" means a company as defined in the Companies Act, 1956 ;

Act I of 1956

(5) "co-operative society" means a co-operative society as defined in any law relating to co-operative societies for the time being in force ;

[*For Statement of Objects and Reasons, please see *Uttar Pradesh Gazette Extraordinary*, dated September 27, 1965.]

[Passed in Hindi by the Uttar Pradesh Legislative Assembly on September 27, 1965 and by the Uttar Pradesh Legislative Council on October 1, 1965.]

[Received the Assent of the Governor on October 23, 1965, under Article 200 of the Constitution of India and was published in the *Uttar Pradesh Gazette Extraordinary*, dated October 29, 1965.]

(6) "person" includes a Hindu undivided family, company, an incorporated body, a firm, a society or any other association of persons ;

(7) "prescribed" means prescribed by rules made under this Act ;

(8) "previous year" means the twelve months ending on the thirty-first day of March immediately preceding the financial year for which assessment is to be made ;

(9) "principal officer" in relation to a person employed under any government, local authority, corporation owned or controlled by any government, company or co-operative society, means such officer of that government, local authority, company or society as may be prescribed ;

(10) "revising authority" means such officer or authority as may be authorised by the State Government to perform the functions of revising authority under this Act ;

(11) "State" means the State of Uttar Pradesh ;

(12) "total gross income" means the aggregate of income accruing or arising to a person within the State from any profession, trade, calling, other than agriculture, or employment, and includes the value of any perquisite or profit in lieu of salary.

CHAPTER II

Liability to tax

Liability to tax.

3. Any person who during the previous year or part thereof carries on a trade, either himself or by an agent or representative, or who follows a profession or calling, other than agriculture, or who is in employment, either wholly or in part within the State, shall subject to the provisions of this Act, pay, from and after the 1st day of April, 1966 for each financial year, a tax in respect of such profession, trade, calling or employment, in addition to any tax, rate, duty or fee which he is liable to pay under any other law for the time being in force in respect of such profession, trade, calling or employment.

Explanation—For the purposes of this section, a person on leave shall be deemed to be a person in employment within the area in which he was employed immediately before the commencement of leave.

Determination of tax on the basis of income of previous year.

4. The tax payable by any person under this Act shall be determined with reference to his total gross income during the previous year.

Rates of tax.

5. (1) Subject to the provisions of sub-section (3), the tax shall be levied at the rates specified in the Schedule :

Provided that for the financial year beginning on the 1st day of April, 1966, the tax shall be levied at half the rates specified in the said Schedule.

Limit of tax.

(2) The tax so payable by any person shall not exceed two hundred and fifty rupees for any financial year.

(3) No tax shall be payable by a person whose total gross income during the previous year does not exceed three thousand and five hundred rupees :

Exemption from the tax.

Provided that in the case of a Hindu undivided family the said sum shall be deemed to be substituted by "six thousand rupees".

(4) No tax shall be payable by a member of the Armed Forces of India.

(5) No tax shall be payable by a person whose total gross income during the previous year was utilised for charitable purposes.

CHAPTER III

Assessment and deduction at source

6. The assessing authority, the appellate authority and the revising authority shall exercise such powers and perform such duties as may be conferred or imposed upon them by or under this Act.

Taxing authorities.

7. Every person liable to pay tax under this Act shall within four months from the first day of April in each financial year file before the assessing authority a return setting forth his total gross income in the previous year in such form and containing such particulars as may be prescribed :

Returns.

Provided that the assessing authority may for sufficient cause extend the date for filing the return ;

Provided further that a person who has paid at source, or has deposited in the Government Treasury in the prescribed manner, the maximum amount of tax mentioned in sub-section (2) of section 5, shall not be required to submit any return for the year for which the tax has been so paid or deposited.

8. (1) If the assessing authority is satisfied that the return filed under section 7 is correct and complete, it shall, by an order in writing, assess the person and determine the tax payable by him on the basis of such return.

Assessment.

(2) If the assessing authority is not satisfied that the return filed under section 7 is correct and complete, it shall serve on the person concerned a notice in the prescribed form requiring him either to attend in person or to produce or cause to be produced evidence in support of the return, on the date, and at the hour and place to be specified in the notice.

(3) On the date specified in the notice under sub-section (2) or as soon afterward as may be, the assessing authority, after taking such evidence as may be produced and such other evidence as it may require to be produced, shall, by an order in writing, assess the person and determine the tax payable by him.

(4) If any person fails to file a return as required by section 7, or having filed the return, fails to comply with the terms of the notice issued under sub-section (2), the assessing authority shall, by an order in writing, assess the person to the best of its judgment, and determine the tax payable by him.

Deduction of tax at source.

9. (1) The tax payable under this Act by any person in the employment of any government, local authority, corporation owned or controlled by any government, company or co-operative society shall, in the manner prescribed, be deducted by the principal officer from the salary, allowance, commission or any other remuneration payable to such person in respect of such employment.

Return by Principal Officer.

(2) The principal officer making any deduction under sub-section (1) shall issue a receipt therefor to the assessee in the prescribed form and shall submit to the assessing authority such returns within such time and containing such particulars as may be prescribed.

Principal Officer to deposit tax in Treasury.

(3) The principal officer deducting any tax under sub-section (1) shall, in the prescribed manner, deposit the amount in a government treasury within thirty days of such deduction and shall furnish, along with the returns required to be filed under sub-section (2), a receipt from such treasury in token of such deposit.

Principal Officer to deduct any tax or penalty on requisition.

10. (1) The assessing authority may require a principal officer to deduct from the salary, allowance, commission or any other remuneration payable to a person in respect of his employment, any tax or penalty due from such person under this Act, and the principal officer shall comply with such requisition.

Deposit in Treasury.

(2) The tax or penalty deducted under sub-section (1) shall be deposited by the principal officer in the Government treasury within thirty days from the deduction and a receipt in token of such deposit shall be furnished to the assessing authority.

Personal liability of Principal Officer.

11. Where any principal officer wilfully fails to deduct any tax or after deduction wilfully fails to deposit it as required by or under this Act, he shall, without prejudice to any other liability he may incur under this Act or any other law, be deemed to be a person in default in respect of the tax not deducted or deposited.

CHAPTER IV

Demand, payment and recovery

Payment of tax.

12. (1) The tax or penalty payable under this Act shall be paid in the prescribed manner.

(2) Every person liable to file a return under section 7 shall before he files the return, pay into a Government treasury the full amount of tax due on the basis of such return and shall furnish along with the return, a receipt in the prescribed form from such treasury in token of such payment unless the tax payable by such person has been deducted at source by the principal officer and such person furnishes proof thereof.

Demand notice.

13. (1) Where any tax or penalty is payable in consequence of any order passed under or in pursuance of this Act, the assessing authority shall serve on the person or persons concerned a notice of demand in the prescribed form specifying the amount so payable.

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(2) The amount of tax or penalty as specified in the notice mentioned in sub-section (1) shall be paid by such date as may be specified in the notice of demand, and where no such date is specified it shall be paid within thirty days from the service of the notice of demand.

Time for pay-
ment.

(3) If such tax or penalty is not paid on or before the due date, the person liable to pay shall be deemed to be in default.

Person in
default.

(4) Where a person is in default, the assessing authority shall, unless action has been taken under section 10, order that the amount due shall be recoverable as arrears of land revenue.

Recovery as
arrears of land
revenue.

14. Where a person is in default, the assessing authority may in its discretion order that, in addition to the tax due, a sum, not exceeding one-half of the tax, shall be recovered from the defaulter by way of penalty:

Penalty.

Provided that no penalty shall be leviable on the principal officer for his failure to make any deductions or to deposit the amount deducted as required by or under this Act.

CHAPTER V

Appeals and revisions

15. (1) Any person aggrieved by an order passed by an assessing authority under this Act may, in the prescribed manner, appeal, within thirty days from the receipt of such order, to the appellate authority:

Appeals.

Provided that the appellate authority may admit an appeal after the expiry of the aforesaid period within a further period of thirty days if it is satisfied that there was sufficient cause for the delay:

Provided further that no appeal shall be entertained unless it is accompanied by satisfactory proof of payment to the extent of one-half of the tax assessed or the undisputed amount of the tax, whichever is higher.

(2) The appellate authority may pass such order on the appeal as it thinks fit and shall send a copy of such order each to the appellant and the assessing authority:

Provided that no enhancement of the tax shall be made by the appellate authority unless the assessee has been afforded reasonable opportunity of showing cause against the enhancement.

16. (1) The revising authority may for the purpose of satisfying itself as to the legality or propriety of any order made by the appellate or assessing authority under this Act, call for and examine, either of its own motion, or on the application of the person aggrieved or the State Government or an officer authorised by the State Government in this behalf, the record of such case and pass such order as it may think fit:

Revision

Provided that no such application shall be entertained in any case where an appeal lay against the order but was not referred.

(2) Any application under sub-section (1) shall be made within thirty days from the date of knowledge of the order complained of :

Provided that the revising authority may on sufficient cause being shown entertain an application within a further period of thirty days.

(3) The revising authority shall not pass any order adversely affecting any person without giving him a reasonable opportunity of being heard.

Explanation—An order rejecting an application for revision shall not be deemed to be an order adversely affecting the applicant.

CHAPTER VI

Refunds

Refund.

17. Where any tax or penalty in excess of the amount due under this Act has been realised from, or paid by, any person, the assessing authority may of its own motion, or on application made in this behalf within ninety days from the service of the order of assessment or the order passed in appeal or revision, as the case may be, order the refund of the amount so realised or paid in excess.

CHAPTER VII

Offences

Punishment for false return and fraudulent evasion

18. Any person who wilfully or knowingly files a false return or fraudulently evades payment of any tax due under this Act or wilfully conceals his liability to such tax, shall on conviction be punishable with fine which may extend to five hundred rupees.

CHAPTER VIII

Miscellaneous

Assessment of escaped income.

19. If for any reason any person has not been assessed or has been under-assessed for any financial year, the assessing authority may, notwithstanding anything contained hereinbefore, at any time within three years next following the year to which the assessment relates, serve on the person liable to pay the tax, a notice in such form as may be prescribed, and may proceed to assess or re-assess him, and the provisions of this Act shall, so far as may be, apply accordingly :

Provided that the tax shall be charged at the rate at which he would have been charged if the person had not escaped assessment or full assessment, as the case may be.

Rectification of mistake.

20. (1) The assessing authority, the appellate authority or the revising authority may, of its own motion, and shall, if an application is made in this behalf, rectify any mistake apparent on the face of the record at any time not later than three years from the date of assessment or order sought to be rectified :

Provided that no such rectification to the disadvantage of an assessee shall be made unless the assessee has been given a reasonable opportunity of being heard.

(2) Where any such rectification has the effect of reducing the assessment, the assessing authority shall order any refund which may be due to such person.

21. The assessing authority, the appellate authority, and the revising authority shall, for the purposes of this Act, have the same powers as are vested in a court under the Code of Civil Procedure, 1908, while trying a suit, in respect of the following matters, namely—

Powers under Code of Civil Procedure.

(a) enforcing attendance of, and examining, any person on oath or affirmation ;

(b) compelling the production of any document ; and

(c) passing such interim orders as may be necessary in the ends of justice,

and any proceeding before such authority under this Act shall be deemed to be a "judicial proceeding" within the meaning of section 193 of the Indian Penal Code and also for the purposes of section 196 of the said Code.

22. The assessing authority may demand from any principal officer the names and complete addresses of all or any of the persons in relation to whom he is principal officer, and such principal officer shall thereupon furnish the assessing authority with the information so demanded.

Principal Officer to furnish required information.

23. (1) No suit shall lie in any civil court to set aside or modify any assessment made or order passed under the provisions of this Act.

Protection against suits or other proceedings.

(2) No prosecution, suit or other proceedings shall lie against any officer or authority or any principal officer for anything done or intended to be done in good faith under this Act or the rules made thereunder.

24. (1) The State Government may, after previous publication in the *Gazette*, make rules to carry out the purposes of this Act.

Power to make rules.

(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 persons to be deemed principal officers ;

(b) the form and the manner in which the return of total gross income shall be filed ;

(c) the form of the notice to be served on the assessee under sub-section (2) of section 8, section 13 or section 19 ;

(d) the manner in which the principal officer shall deduct the tax at source and deposit it in the treasury ;

(e) the form and the manner in which and the time within which the returns shall be filed and the form in which receipts shall be issued by the principal officer in respect of deductions made by him ;

(f) the procedure to be followed by the appellate and revising authorities in hearing appeals and revisions ;

(g) the form and the manner in which the tax or penalty shall be deposited by the assessee and receipts issued by Government treasury ;

(h) all other matters which are required to be or may be prescribed under this Act.

(3) All rules made under this Act shall, as soon as may be after they are made, be laid before each House of the State Legislature while it is in session for a total period of fourteen days, extending in its one session or more than one successive sessions, and shall, unless some later date is appointed by the State Government, take effect from the date of their publication in the *Gazette*, subject to such modifications or annulments as the two Houses of the Legislature may agree to make, so however that any such modification or annulment shall be without prejudice to the validity of anything previously done thereunder.

SCHEDULE

RATES OF TAX

[Section 5 (1)]

Where the annual total gross income—	<i>Amount of tax</i>
	Rs.
(1) exceeds Rs. 3,500 but does not exceed Rs. 4,000	12
(2) exceeds Rs. 4,000 but does not exceed Rs. 5,000	36
(3) exceeds Rs. 5,000 but does not exceed Rs. 6,000	60
(4) exceeds Rs. 6,000 but does not exceed Rs. 7,000	84
(5) exceeds Rs. 7,000 but does not exceed Rs. 8,000	108
(6) exceeds Rs. 8,000 but does not exceed Rs. 9,000	132
(7) exceeds Rs. 9,000 but does not exceed Rs. 10,000	156
(8) exceeds Rs. 10,000 but does not exceed Rs. 11,000	186
(9) exceeds Rs. 11,000 but does not exceed Rs. 12,000	216
(10) exceeds Rs. 12,000	250

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**THE UTTAR PRADESH VRITTI, VYAPAR, AJIVIKA AUR SEVAYOJAN
KAR (SANSHODHAN) ADHINIYAM, 1970**

(U. P. ACT No. 24 OF 1970) ✓

*[Authoritative English Text of the Uttar Pradesh Vritti, Vyapar, Ajivika
aur Sevayojan Kar (Sanshodhan) Adhinyam, 1970.]

AN
ACT

to amend the Uttar Pradesh Vritti, Vyapar, Ajivika Aur Sevayojan Kar
Adhinyam, 1965

IT IS HEREBY enacted in the Twenty-first Year of the Republic of India as
follows :—

1. This Act may be called the Uttar Pradesh Vritti, Vyapar, Ajivika Aur
Sevayojan Kar (Sanshodhan) Adhinyam, 1970.

Short title.

2. In section 5 of the Uttar Pradesh Vritti, Vyapar, Ajivika Aur Sevayojan
Kar Adhinyam, 1965, hereinafter referred to as the principal Act, in sub-
section (3), for the words "three thousand and five hundred rupees", the words
"four thousand and two hundred rupees" shall be substituted, and for the words
"six thousand rupees" the words "seven thousand rupees" shall be substituted.

Amendment of
section 5 of U. P.
Act. no. 21 of
1965.

3. After section 8 of the principal Act, the following section shall be inserted,
namely :—

Insertion of new
section 8-A.

"8-A. Powers of entry and inspection—Any officer empowered by the
State Government in that behalf may, for the purposes of this Act, inspect,
examine and copy any book, document or account maintained, by any
person in the ordinary course of his profession, trade or calling or by the
principal officer in connection with the persons employed under him,
and may for that purpose enter and inspect any office, shop, godown,
vessel or vehicle of that person or principal officer, and may also make
such enquiries from the said person or principal officer as may be neces-
sary."

4. In section 18 of the principal Act, after the words "or wilfully conceals
his liability to such tax," the words "or obstructs or prevents an officer em-
powered under section 8-A from performing any of the functions specified there-
in" shall be inserted.

Amendment of
section 18.

5. In section 19 of the principal Act,—

(i) for the words "three years", the words "four years" shall be substi-
tuted and shall be deemed always to have been substituted ; and

(ii) after the proviso thereto, the following proviso shall be inserted,
namely :—

Amendment of
section 19.

"Provided further that no order of assessment under this section
shall be made for any assessment year after the expiration of four
years from the end of such year or after the expiration of one year
from the date of service of the notice, whichever is later."

*(For Statement of Objects and Reasons, please see Uttar Pradesh Gazette Extraordinary,
dated May 7, 1970).

(Passed in Hindi by the Uttar Pradesh Legislative Assembly on May 27, 1970 and by the Uttar
Pradesh Legislative Council on June 5, 1970).

(Received the Assent of the Governor on June 10, 1970, under Article 200 of the Constitution
of India and was published in the Uttar Pradesh Gazette Extraordinary, dated June 12, 1970).

Insertion of new section 20-A.

6. After section 20 of the principal Act, the following section shall be inserted, namely :

"20-A. *Power to set aside an ex parte order*—In any case in which an assessment order is passed *ex parte*, the assessee may apply to the Assessing Authority, within thirty days from the date of service of the order, to set aside such order and re-open the case, and if such authority is satisfied either that the applicant did not receive notice or that he was prevented by sufficient cause from appearing on the date fixed, it may set aside the assessment order and re-open the case :

Provided that no such application for setting aside an *ex parte* assessment order shall be entertained unless it is accompanied by satisfactory proof of payment of the tax admitted to be due, or one-fourth of the tax assessed *ex parte*, whichever is greater."

Substitution of the Schedule.

7. For the Schedule to the principal Act, the following Schedule shall be substituted, namely :

"SCHEDULE

Rates of Tax

[SECTION 5(1)]

Where the annual total gross income—

	Amount of tax Rs.
(1) exceeds Rs.4,200 but does not exceed Rs.5,000	36
(2) exceeds Rs.5,000 but does not exceed Rs.6,000	60
(3) exceeds Rs.6,000 but does not exceed Rs.7,000	84
(4) exceeds Rs.7,000 but does not exceed Rs.8,000	108
(5) exceeds Rs.8,000 but does not exceed Rs.9,000	132
(6) exceeds Rs.9,000 but does not exceed Rs.10,000	176
(7) exceeds Rs.10,000	250"

Repeal of U. P. Ordinance no. 7 of 1970.

8. The Uttar Pradesh Vritti, Vyapar, Ajivika Aur Sevayojan Kar (Sanshodhan) Adhyadesh, 1970, is hereby repealed.

THE UTTAR PRADESH VRITTI, VYAPAR, AJIVIKA AUR SEVAYOJAN
KAR (NIRASAN) ADHINIYAM, 1970

(UTTAR PRADESH ACT No. 36 OF 1970) ✓

[*Authoritative English Text of the Uttar Pradesh Vritti, Vyapar, Ajivika Aur
Sevayojan Kar (Nirasan) Adhiniyam, 1970]

AN
ACT

to provide for the repeal of the Uttar Pradesh Vritti, Vyapar, Ajivika Aur
Sevayojan Kar Adhiniyam, 1965

IT IS HEREBY enacted in the Twenty-first Year of the Republic of India as
follows :

1. This Act may be called the Uttar Pradesh Vritti, Vyapar, Ajivika
Aur Sevayojan Kar (Nirasan) Adhiniyam, 1970.

Short title.

2. The Uttar Pradesh Vritti, Vyapar, Ajivika Aur Sevayojan Kar
Adhiniyam, 1965, is hereby repealed in respect of the liability to pay tax
thereunder with reference to income accruing to any person after the
31st day of March, 1971.

Repeal of U. P.
Act No. XXI of
1965.

*(For statement of Objects and Reasons, please see Uttar Pradesh Gazette (Extraordinary),
dated December 30, 1970).

(Passed in Hindi by the Uttar Pradesh Legislative Assembly on December 21, 1970 and by the
Uttar Pradesh Legislative Council on December 23, 1970).

(Received the assent of the Governor on December 29, 1970 under Article 200 of the
Constitution of India and was published in the Uttar Pradesh Gazette Extraordinary, dated
December 30, 1970).

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