

UNITED PROVINCES ENTERTAINMENT AND BETTING TAX ACT, 1937

8 of 1937

[]

CONTENTS

CHAPTER 1 :- Entertainment Tax

1. Short title, extent and commencement
2. Definitions
3. Tax on payment for admission to entertainment
4. Manner of admission and payment
5. Penalty for non-payment of tax
6. Exemptions
7. Recoveries
8. Inspection
9. Rules
- 9A. Revocation and suspension of licence for entertainment
- 9B. Prohibition against re-sale of tickets
10. Powers of Chief Commissioner to delegate certain powers

CHAPTER 2 :- Taxes on Certain Forms of Betting

11. Tax on totalizator and payment thereof
12. Procedure for making over totalizator tax to Government
13. Accounts of totalizator
14. Betting tax
15. Procedure for making over betting tax to Government
16. Accounts of betting-tax
- 16A. Restriction on betting
- 16B. Revocation and suspension of a bookmaker
17. Methods of recovery of totalizator tax and betting tax
18. Rules

SCHEDULE 1 :- Schedule.

UNITED PROVINCES ENTERTAINMENT AND BETTING TAX ACT, 1937

8 of 1937

[]

An Act to impose a tax on entertainments and other amusements and on certain forms of betting Preamble. Whereas it is expedient to provide for the levy of a tax in respect of admission to places of public entertainment and amusements and also in respect of certain forms of betting; it is hereby enacted as follows

CHAPTER 1

Entertainment Tax

1. Short title, extent and commencement :-

(1) This Act may be called the United Provinces Entertainment and Betting Tax Act, 1937.

(2) It shall extend in the first instance only to be the local areas specified in the Schedule annexed to this Act; but the Chief Commissioner may by notification from time to time extend it to any other local area in the Union territory of Delhi with effect from such date or dates as it may direct.

(3) It shall come into force on the first April 1950.

2. Definitions :-

In this Act, unless there is anything repugnant in the subject or context-

(1) "admission to an entertainment" includes admission to any place in which the entertainment is held;

(2) 'agriculture" includes horticulture and livestock breeding;

(3) "entertainment" includes any exhibition, performance, amusement, game or sport to which persons are admitted for payment;

(4) "live-stock" includes animals of every description;

(5) "notification" means a notification published in the Gazette of India.

(6) "payment for admission" includes

(i) any payment made by a person who, having been admitted to one part of a place of entertainment is subsequently admitted to another part thereof, for admission to which a payment involving tax or more tax is required;

(ii) any payment for seats or other accommodation in a place of entertainment;

- (iii) any payment for a programme or synopsis of an entertainment;
and
- (iv) any payment for any purpose whatsoever connected with an entertainment which a person is required to make as a condition of attending or continuing to attend the entertainment in addition to the payment, if any, for admission to the entertainment.
- (7) "proprietor" in relation to any entertainment includes any person responsible for the management thereof; and
- (8) "society" includes a company, institution, club or other association of persons by whatever name called;
- (9) "backer" includes any person with whom a licensed bookmaker bets;
- (10) "bet" includes "wager" and "betting" includes wagering;
- (11) "licensed bookmaker" means any person who carries on the business or vocation of or acts as a bookmaker or turf commission agent under a licence or permit issued, with the prior approval of the District Magistrate by any racing club or by the stewards thereof;
- (12) "prescribed" means prescribed by this Act or by the rules made thereunder;
- (13) "racing club" includes a club, association, society or body of persons corporate or incorporate,
- (a) formed for the purpose of promoting horse-racing or ponyracing or for holding race meeting; or
- (b) conducting or controlling such meetings;
- (14) "totalizator" means a totalizator in an enclosure which the stewards controlling a race meeting have set apart for the purpose, and includes any instrument, machine or contrivance known as the totalizator or any other instrument, machine or contrivance of a like nature or any scheme for enabling any number of persons to make bets with one another on the like principles.
- (15) "Government" means the Chief Commissioner, Delhi.

3. Tax on payment for admission to entertainment :-

(1) There shall be levied and paid to the Central Government on all payments for admission to any entertainment a tax (hereinafter referred to as entertainment tax) at the following rates, namely

Where the payment, excluding the amount of the tax:

Exceeds two annas but does not exceed three annasThree pice.

Exceeds three annas but does not exceed four annas.....One anna.

Exceeds four annas but does not exceed eight annas.....Two annas.

Exceeds eight annas but does not exceed one rupee.....Four annas.

Exceeds one rupee, but does not exceed two rupeesEight annas.

Exceeds one rupee, but does not exceed three rupeesTwelve annas.

Exceeds three rupees, but does not exceed four rupeesOne rupee.

Exceeds four rupees, but does not exceed five rupeesOne rupee four annas.

Exceeds five rupees, but does not exceed six rupees eight annasOne rupee ten annas.

Exceeds six rupees eight annas, but does not exceed ten rupees.....Two rupees eight annas.

For every five rupees or part thereof in excess of the first ten rupees, in addition to the payment on the first ten rupees.....One rupee four annas.

(2) If in any entertainment to which admission is generally on payment, any person is admitted free of charge or on a concession rate, he would be liable to pay the same amount of entertainment tax as would be payable by him had he been admitted on full payment to the class to which he is entitled.

(3) Amount payable on lump subscriptions or contributions or on season tickets. Where the payment for admission to an

entertainment is made by means of a lump sum paid as a subscription or contribution to any society, or for a season ticket or for the right of admission to a series of entertainments or to any entertainment during a certain period of time, or for any privilege, right, facility or thing combined with the right of admission to any entertainment or involving such right of admission without further payment or at a reduced charge, the entertainment tax shall be paid on the amount of the lump sum, but where the Chief Commissioner is of opinion that the payment of a lump sum or any payment for a ticket represents payment for other privileges, rights or purposes besides the admission to an entertainment, or covers admission to an entertainment during any period for which the tax has not been in operation, the tax shall be charged on such amount as appears to the Chief Commissioner to represent the right of admission to entertainment in respect of which the entertainment tax is payable.

4. Manner of admission and payment :-

(1) Save as otherwise provided by this Act, no person, other than a person who has some duty to perform in connection with the entertainment or a duty imposed upon him by law, shall be admitted to any entertainment, except with a ticket stamped with an impressed, embossed, engraved or adhesive stamp (not used before) issued by the Central Government for the purposes of revenue and denoting that the proper entertainment tax payable under section 3 has been paid.

(2) Consolidated payment by proprietor of entertainment. Government may, on the application of a proprietor of any entertainment in respect of which the entertainment tax is payable under section 3, allow the proprietor, on such conditions as Government may prescribe, to pay the amount of the tax due

(a) by a consolidated payment of a percentage to be fixed by the Government of the gross sum received by the proprietor on account of payments for admission to the entertainment and on account of the tax;

(b) in accordance with returns of the payments for admission to the entertainment and on account of the tax;

(c) in accordance with results recorded by any mechanical contrivance which automatically registers the number of persons admitted.

(3) The provision of sub-section (1) shall not apply to any entertainment in respect of which the tax due is payable in accordance with the provisions of sub-section (2).

5. Penalty for non-payment of tax :-

(1) No person liable to pay entertainment tax shall enter or obtain admission to an entertainment without payment of the tax leviable under section 3.

(2) Any person who enters or obtains admission to an entertainment in contravention of the provision of sub-section (1) shall, on conviction before a Magistrate, be liable to pay a fine not exceeding two hundred rupees and shall in addition be liable to pay the tax which would have been paid by him.

(3) If any person liable to pay entertainment tax is admitted to a place of entertainment without payment of the tax leviable under section 3, the proprietor of the entertainment to which such person is admitted shall, on conviction before a Magistrate, be liable in respect of every such contravention to a fine not exceeding Rs. 500.

6. Exemptions :-

(1) The entertainment tax shall not be charged on payments for admission to any entertainment where Government are satisfied

(a) that the whole of the takings thereof are devoted to philanthropic, religious or charitable purposes without any charge on the takings for any expenses of the entertainment; or

(b) that the entertainment is of a wholly educational character (any question on that point to be determined in the case of difference by Government in the Department of Education); or

(c) that the entertainment is provided for partly educational or partly scientific purposes by a society not conducted or established for profit; or

(d) that the entertainment is provided by a society which is established solely for the purpose of promoting the interest of the industry or agriculture, or the manufacturing industry, or some branch thereof, or the public health, and which is not conducted for profit, and consists solely of an exhibition of the products of the industry, or branch thereof, for promoting the interest of which the

society exists or of materials, machinery, appliances, or food-stuffs, used in the production of those products, or of articles which are of material interest in connection with the questions relating to the public health, as the case may be.

(2) Refunds in certain circumstances. Where Government are satisfied that the whole of the net proceeds of an entertainment are devoted to philanthropic, religious or charitable purposes, and that in calculating the net, proceeds not more than twenty-five per cent, of the gross proceeds have been deducted on account of the expenses of the entertainments, they shall repay to the proprietor the amount of the entertainment tax paid in respect of the entertainment.

(3) Government may, by general or special order, exempt any entertainment or class of entertainment from liability to the entertainment tax.

7. Recoveries :-

Any sum due on account of the entertainment tax shall be recoverable by Government as an arrear of land revenue.

8. Inspection :-

(1) Any officer authorized by the Government for the purpose may enter any place of entertainment while the entertainment is proceeding, and any place ordinarily used as place of entertainment, at any reasonable times, with a view to seeing whether provisions of this chapter or any rules made thereunder are being complied with.

(2) If any person prevents or obstructs the entry of any officer so authorised, he shall, in addition to any other punishment to which he is liable under any law for the time being in force, be liable on conviction before a Magistrate to a fine not exceeding two hundred rupees.

(3) Every officer authorised under this section shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code.

9. Rules :-

(1) Government may make rules securing the payment of the entertainment tax and generally for carrying into effect the provisions of this chapter, and in particular-

- (a) for the supply and use of stamps or stamped tickets or for the stamping of tickets sent to be stamped and for securing the defacement of stamps when used;
- (b) for the use of tickets covering the admission of more than one person and the calculation of the tax thereon, and for the payment of the tax on the transfer from one part of a place of entertainment to another and on payments for seats or other accommodation;
- (c) for controlling the use of barriers or mechanical contrivance (including the prevention of the use of the same barrier or mechanical contrivance for payment of a different amount), and for securing proper records of admission by means of barriers or mechanical contrivances;
- (d) for the checking of admission, the keeping of accounts and the furnishing of returns by the proprietors of entertainments to which the provisions of section 4(2) are applied or in respect of which the arrangements approved by Government for furnishing returns are made under section 4(2);
- (e) for the keeping of accounts of all stamps and for the procedure to be followed on applications for refund under this chapter or under the rules made thereunder;
- (f) for the keeping of accounts of all stamps used under this chapter;
- (g) for the presentation and disposal of applications for exemption from payment of the entertainment tax, or for the refund thereof, made under the provisions of this chapter;
- (h) for the exemption from entertainment tax of any class of the audience or spectators.

(2) If any person acts in contravention of or fails to comply with any such rules, he shall, on conviction before a Magistrate, be liable in respect of each such offence to a fine not exceeding two hundred rupees.

9A. Revocation and suspension of licence for entertainment

:-

Notwithstanding anything contained in any other law and without prejudice to the provisions of sub-section (1) of section 5, the District Magistrate may by order revoke or suspend any licence for an entertainment granted under any law for the time being in

force, if the proprietor of such entertainment is convicted under the provisions of this Act. A copy of the order shall be communicated to the proprietor within one month who may appeal to Government within a similar period from the date on which the order is served. The order passed in appeal by Government shall be final and conclusive.

Explanation.

(1) The order of the District Magistrate shall be deemed to be duly served if a copy thereof is delivered to the proprietor in person, or, if the District Magistrate is satisfied that such personal service cannot be made, then by affixation of a copy of the order at a prominent place at the site of the said entertainment.

(2) For the purpose of this section the word "licence" shall be deemed to include a licence or permit granted by any local authority.

9B. Prohibition against re-sale of tickets :-

(1) Notwithstanding anything contained in section 56 of the Indian Easements Act, a ticket for admission to an entertainment shall not be re-sold for profit by the purchaser thereof.

(2) Whoever re-sells any ticket for admission to an entertainment for profit shall be punishable with a fine not exceeding Rs. 200.

10. Powers of Chief Commissioner to delegate certain powers :-

(1) The Chief Commissioner may, by notification, delegate all or any of its powers under this chapter, except those conferred upon it by section 9 and by this section, to any person or to any authority subordinate to him.

(2) Any person considering himself aggrieved by an order passed by such person or authority in virtue of the power delegated under sub-section (1) may appeal to the Chief Commissioner whose decision in the matter shall be final.

CHAPTER 2

Taxes on Certain Forms of Betting

11. Tax on totalizator and payment thereof :-

(1) There shall be charged, levied and paid to the Central Government out of all moneys paid into any totalizator by way of

stakes or bets, a tax hereinafter referred to as totalizator tax, at five per cent or such higher percentage, not exceeding ten per cent, as the Chief Commissioner may from time to time prescribe.

(2) The totalizator tax shall be received by the stewards of the race meeting on behalf of the Central Government and on such payment, the payment shall be deemed to have been made to the Central Government.

12. Procedure for making over totalizator tax to Government :-

The stewards of a race-meeting shall, at such times and in such manner as may be prescribed, forward to the prescribed officer a return stating the total amount of the moneys paid into the totalizator at the meeting, and shall at the prescribed time make over to the prescribed officer the amount of the tax for the meeting.

13. Accounts of totalizator :-

(1) The stewards of a race-meeting shall keep accounts in the prescribed form of all moneys paid into the totalizator at that meeting.

(2) Every person having the custody or control of any such accounts shall, when required in writing by an officer empowered in this behalf by Government, permit such officer or an officer authorized in writing by him in this behalf to inspect and take copies of them.

14. Betting tax :-

(1) There shall be charged, levied and paid to the Central Government on all moneys paid or agreed to be paid as a bet to a licensed bookmaker by a backer, in an enclosure set apart on any race, a tax on backers (hereinafter referred to as 'the betting tax') at five per cent or such higher percentage not exceeding ten per cent, as the Chief Commissioner may from time to time prescribe of all moneys paid or agreed to be paid by backer to licensed bookmaker on account of a bet laid by the backer in each race with the bookmaker.

(2) The betting tax shall be collected by the licensed bookmaker with the money laid by the backer with the licensed bookmaker at the time when the bet is laid and in case of credit bets at such time

as may be prescribed.

15. Procedure for making over betting tax to Government :-

All sums retained on account of the betting tax shall be made over by the licensed bookmaker, by whom they have been retained, to the prescribed officer at such times and in such manner as may be prescribed.

16. Accounts of betting-tax :-

(1) The stewards of a race-meeting shall, at such times and in such manner as may be prescribed, forward to the prescribed officers returns setting out the names of the bookmakers licensed or permitted by them to carry on the business or vocation of a bookmaker at that meeting.

(2) All licensed bookmakers shall keep accounts of all sums paid or agreed to be paid to them as bets by backers in such manner as may be prescribed, and shall, when required in writing by an officer empowered in this behalf by Government, permit such officer or an officer authorized in writing by him in this behalf, to inspect and take copies of such account.

16A. Restriction on betting :-

(1) No person shall bet on the result of any race held or conducted by a racing club except with the licensed bookmaker and in an enclosure set apart for the purpose by that club.

(2) Any person who bets in contravention of the provisions of sub-section (1) shall be punishable with fine not exceeding Rs. 1,000.

16B. Revocation and suspension of a bookmaker :-

Without prejudice to any other provisions of this Act, the District Magistrate, may by order, revoke or suspend the licence granted under clause (11) of section 2, if the licensee is guilty of contravention of the provisions of sections 14, 15, sub-section (2) of section 16 or sub-section (1) of section 16-A or of any rule framed under this Act. A copy of every such order shall be communicated to the licensee who may appeal to the Government or any such authority as may be prescribed within one months from the date on which the order is served. The order passed in appeal by the Chief Commissioner or the authority as the case may be shall be final and conclusive.

Explanation. The order of the District Magistrate shall be deemed to

be duly served if a copy is delivered to the licensee in person, or, if the District Magistrate is satisfied that such personal service cannot be made, then by affixation of a copy of the order at a prominent place at the race course at which the licensee is authorized to carry on his business of a licensed bookmaker.

17. Methods of recovery of totalizator tax and betting tax :-

(1) The totalizator tax payable under section 11 shall be recoverable as an arrear of land revenue from the racing club conducting the meeting, and any portion of such tax which is not so recovered shall also be recoverable as an arrear of land revenue from the stewards of the race-meeting jointly and severally.

(2) The betting-tax under section 15 shall be recoverable as an arrear of land revenue from the bookmaker retaining the tax.

18. Rules :-

Government may make rules for securing the payment of the totalizator tax and the betting-tax, the production and inspection of accounts kept under this chapter, and generally for carrying into effect the provisions of this chapter, and for dealing with such matters as are therein directed to be prescribed.

SCHEDULE 1

Schedule.

All Municipal, Cantonment, Notified and Town Areas in the Union territory of Delhi
--