

The Tamil Nadu Betting Tax Act, 1935

TAMILNADU

India

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Act 20 of 1935

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The Tamil Nadu Betting Tax Act, 1935 Tamil Nadu Act 20 of 1935 Statement of Objects and Reasons - Tamil Nadu Betting Tax Act, 1935 (Tamil Nadu Act XX of 1935). - The object of the Bill is to impose a tax on betting in House and Pony race, held in the Presidency of Madras and thereby augment the financial resources of the Presidency. Similar legislation is in force in three other provisions, namely, Bengal, Bombay and Burma. The provisions of the Bill are based on those contained in the Bengal, Bombay and Burma Acts on the subject-Bengal Act V of 1922, Bombay Acts VI of 1925 and IV of 1931 and Burma Act IX of 1928. The Bill, in the first instance, will be in force only in the Chengalput-Madras district. Power has, however, been taken to bring the Bill into force in other local areas. Both forms of being which prevail in this Presidency, namely, betting through totalizators and betting through book-makers are intended to be controlled. In the latter case, however, the tax will be levied only on winnings paid out by the book-makers. Published in Part IV (page 319) of the Port. St. George Gazette, dated the 22nd October 1935. Statement of Objects and Reasons - Tamil Nadu Betting Tax (Second Amendment) Act, 1972. - The Tamil Nadu Betting Tax Act, 1935 (Tamil Nadu Act XX of 1935), was amended in 1971 by Tamil Nadu Act 44 of 1971 seeking to levy a surcharge on betting tax and the surcharge has been levied with effect from the 1st January 1972. The 1971 Act did not provide for levy of surcharge on "totalizator tax". But actually surcharge had been collected on "totalizator tax" also with effect from the 1st January 1972. This collection had to be validated. The intention also was to continue the levy of a surcharge on "totalizator tax". It was, therefore, considered necessary to amend the Act suitably for this purpose. The Tamil Nadu Betting Tax (Second Amendment) Ordinance, 1972 (Tamil Nadu Ordinance 4 of 1972), was accordingly promulgated by the Governor to achieve the above object. 2. The Bill seeks to replace the above Ordinance. Published in Part IV-Section 3 of the Tamil Nadu Government Gazette Extraordinary, dated the 14th March 1972. In order to facilitate easy dealing in transactions involving fractions of a rupee, necessary provision for rounding off to the nearest rupee, the amount of tax or any other sum payable, and the amount of refund due, under the provisions of the Tamil Nadu Betting Tax Act, 1935 (Tamil Nadu Act XX of 1935), is proposed to be made in the said Act by insertion of a new section 7-A after section 7. The Bill seeks to achieve the above object. Statement of Objects and Reasons - Tamil Nadu Betting Tax (Amendment) Act, 1962 (Tamil Nadu Act 6 of 1962). - Under the proviso to sub-section (2) of section 4 of the Madras Betting Tax Act, 1935 (Madras Act XX of 1935),

the rate of totalizator tax that may be levied by the State Government under sub-section (1) of that section shall not exceed 12 72 per cent of every sum paid into the totalizator. Similarly, under the proviso to sub-section (2) of section 5 of the Act, the rate of betting tax which may be levied by the State Government under sub-section (1) of that section shall not exceed 12 72 per cent of all moneys paid or agreed to be paid by backers to book-makers. The existing rates of tax are as follows:-

Guindy	Ooty	Totalizator tax
10.		
%		
5.		
%	Betting tax	
10.		
%		
5.		

%In order to augment the revenues of the State, it is proposed that the rates of tax may be doubled. To enable the levy of enhanced rates, it is necessary to amend the provisos to sub-section (2) of section 4 and sub-section (2) of section 5 of the Act suitably. It is proposed to fix the maximum rate of tax in both cases as twenty-five per cent.2. Under section 7 of the Act, the director of every race-meeting held in any local area in respect of which a notification has not been issued under section 4 or section 5, should pay to the State Government, by way of tax in respect of such meeting, such amount not exceeding Rs. 500 as may be prescribed. It is proposed to increase this amount to Rs. 1,000.3. This opportunity has also been availed of to amend section 10 of the Act, to implement the recommendation of the Committee on Subordinate Legislation regarding the placing of rules on the table of the Houses of the Legislature.4. The Bill seeks to achieve the above objects. Published in Part IV-Section 3 of the Fort St. George Gazette Extraordinary, 13th July 1962 (Page 138-139). An Act to provide for the levy of a tax on certain forms of betting in the [State of Tamil Nadu] [Substituted by the Tamil Nadu Adaptation of Laws Order, 1969 as amended by the Tamil Nadu Adaptation of Laws (Second Amendment) Order, 1969.] Whereas it is necessary to make an addition to the public revenues of the [State of Tamil Nadu] [Substituted by the Tamil Nadu Adaptation of Laws Order, 1969 as amended by the Tamil Nadu Adaptation of Laws (Second Amendment) Order, 1969.] and for that purpose to provide for the levy of a tax on certain forms of betting. It is hereby enacted as follows:-

1. Short title, extent and commencement.

- This Act may be called the [Tamil Nadu] [Substituted by the Tamil Nadu Adaptation of laws Order, 1969 as amended by the Tamil Nadu Adaptation of Laws (Second Amendment) Order, 1969.] Betting Tax Act, 1935.(2)It extends to the whole of the [State of Tamil Nadu] [Substituted by the Tamil Nadu Adaptation of laws Order, 1969 as amended by the Tamil Nadu Adaptation of Laws (Second Amendment) Order, 1969.].(3)(a)This section shall come into force at once.(b)The remaining provisions of this Act shall come into force in the district of [Chingleput] [This district was bifurcated as Kancheepuram and Thiruvallur districts.], [Chennai] [Substituted for the word 'Madras' by the City of Madras (Alteration of Name) Act, 1996 (Tamil Nadu Act 28 of 1996).] on the 15th day of November 1935.(c)The State Government may, by notification in the Official Gazelle, direct that all or any of the remaining provisions of this Act shall come into force in any other local area on such date as may be specified in such notification:[Provided that no such notification shall be published in respect of any area included in a cantonment without the previous sanction of the Central Government.] [Proviso was added by Tamil Nadu Act XIV of 1936.]

2. Application of the Act and saving.

(1)This Act shall apply only to betting at meetings for horse-races and pony-races.(2)Nothing in this Act shall affect the provisions of the [Chennai] [Substituted for the word 'Madras' by the City of Madras (Alteration of Name) Act, 1996 (Tamil Nadu Act 28 of 1996).] City Police Act, 1888, (Tamil Nadu Act III of 1888), or of the [Tamil Nadu] [Substituted by the Tamil Nadu Adaptation of laws Order, 1969 as amended by the Tamil Nadu Adaptation of Laws (Second Amendment) Order, 1969.] Gaming Act, 1930 ([Tamil Nadu] [Substituted by the Tamil Nadu Adaptation of laws Order, 1969 as amended by the Tamil Nadu Adaptation of Laws (Second Amendment) Order, 1969.] Act III of 1930) regarding the time and place at which betting on horse-races may take place.

3. Definitions.

- In this Act, unless there is anything repugnant in the subject or context,-(a)"backer" includes any person who bets at a totalizator or with a bookmaker;(b)"bet" includes wage; and "betting" includes wagering;(c)"book-maker" means a person who carries on the business of making bets with the public in general;(d)"director" means the person (whether an individual, a corporate body or an association) primarily responsible for the holding of a race-meeting;(e)"prescribed" means prescribed by rules made under this Act;(f)"race-meeting" means an assembly of persons for horse-racing or pony-racing to which the public have access whether on payment or otherwise; and(g)"totalizator" means any machine, instrument or contrivance for enabling persons to make bets with one another on the principle of a common pool.

4. Levy of total izator tax.

(1)The State Government may, by notification in the Official Gazette, from time to time, direct that a tax (hereinafter referred to as the totalizator tax) shall be levied on backers in respect of all moneys

paid by them into any totalizator by way of stakes or bets.(2)Every notification issued under sub-section (1) shall specify the local area in which, the rate at which, and the date from which, the totalizator tax shall be levied:Provided that the rate shall not exceed twenty-five per cent of every sum paid into the totalizator.(3)Such portion of the moneys paid into the totalizator as is equivalent to the amount of the totalizator tax calculated at the rate specified in the notification aforesaid shall be deemed to have been paid by the backer on account of the totalizator tax and to have been received by the director on behalf of the State Government.

4A. [Levy of surcharge on totalizator tax. [Inserted by Tamil Nadu Act 3 of 1973 which was deemed to have come into force on the 1st January 1972.]

(1)There shall be levied on the totalizator tax payable under this Act a surcharge at the rate of five per cent of such totalizator tax.(2)The provisions of this Act and the rules made thereunder shall, so far as may be, apply in relation to the surcharge payable under sub-section (1) as they apply in relation to the totalizator tax payable under this Act.]

5. Levy of tax on bets made with book-makers.

- [(1) The State Government may, by notification in the Official Gazette, from time to time, direct that a tax (hereinafter referred to as the betting tax) shall be levied on every book-maker in respect of all moneys paid or agreed to be paid to him by backers in consequence of bets made in a place within the race enclosure which the director has, with the sanction of the State Government, set apart for the purpose of such betting.] [Substituted for the original sub-section (1) by Tamil Nadu Act XXX of 1958.](2)Every notification issued under sub-section (1) shall specify the local area in which, the rate at which, and the date from which, the betting tax shall be levied:[Provided that the rate shall not exceed [twenty-five per cent] [Proviso was substituted by Madras Act XX of 1947.] of every sum liable to betting tax under sub-section (1).](3)The betting tax shall be collected and paid to the State Government, in such manner as may be prescribed.

5A. [Levy of surcharge on betting tax. [Inserted by Tamil Nadu Act 44 of 1971 which came into force on the 1st January 1972.]

(1)There shall be levied on the betting tax payable under this Act a surcharge at the rate of five per cent of such betting tax.(2)The provisions of this Act and the rules made thereunder shall, so far as may be, apply in relation to the surcharge payable under sub-section (1) as they apply in relation to the betting tax payable under this Act.]

6. [Accounts and returns. [Substituted by Tamil Nadu Act XXX of 1958.]

- The director of every race-meeting at which betting takes place shall-(a)cause accounts to be kept in the prescribed manner of all sums paid into every totalizator used, and of all sums paid or agreed to be paid to every bookmaker by backers in consequence of bets made by them at such meeting.(b)forward at the time, in the manner, and to the officer, prescribed in this behalf, a return

showing the total amount of the moneys paid into every totalizator used at such meeting and whenever required, make over to the prescribed officer the amount of totalizator tax collected at such meeting; and(c)furnish such other reports and returns as may be prescribed.]

7. Levy of tax in cases not falling under sections 4 and 5.

- The director of every race-meeting held in any local area in respect of which a notification has not been issued under section 4 or section 5 shall pay to the State Government by way of tax, in respect of such meeting, such amount not exceeding [one thousand rupees] [Substituted for the words 'five hundred rupees' by Tamil Nadu Act 6 of 1962.] as may be prescribed.

7A. [Hounding off of tax or other sum. [Inserted by Tamil Nadu Act 9 of 1972.]

- The amount of tax or any other sum payable, and the amount of refund due, under the provisions of this Act shall be rounded off to the nearest rupee and, for this purpose, where such amount contains a part of a rupee consisting of paise, then, if such part is fifty paise or more, it shall be increased to one rupee and if such part is less than fifty paise, it shall be ignored.]

8. Inspectors.

(1)The State Government may appoint persons, and may authorise them to appoint other persons, for any local area, to inspect race-meetings and the accounts of betting thereat.(2)Every person appointed under sub-section (1) shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code (Central Act XLV of 1860) and shall be given free access to every race-meeting held in the local area for which he has been appointed and to every place where betting is conducted at such race-meeting, and to all books of account relating to such betting, whether such books belong to the director or to any book-maker.

9. Exemptions.

- The State Government may, by notification in the Official Gazette, exempt any race-meeting from-(a)the totalizator tax leviable under section 4, or(b)the betting tax leviable under section 5, or(c)the tax leviable under section 7.

10. Power of State Government to make rules.

(1)The State Government may make rules-(a)with reference to all matters expressly required or allowed by this Act to be prescribed, and(b)to carry out all or any of the purposes of this Act and not inconsistent therewith.(2)In particular and without prejudice to the generality of the foregoing power, the State Government shall have power to make rules regarding the manner in which any tax payable under this Act may be recovered.[Such rules may provide for the recovery of the tax as an arrear of land revenue.] [Added by Tamil Nadu At XIV of 1936.](3)[All rules made under this Act

shall be published in the Official Gazette and, unless they are expressed to come into force on a particular day, shall come into force on the day on which they are so published.] [Added by Tamil Nadu Act 6 of 1962.](4)Every rule made under this Act shall, as soon as possible after it is made, be placed on the Table of [the Legislative Assembly] [Substituted by the Tamil Nadu Adaptation of Laws and Order, 1987.] and if, before the expiry of the session in which it is so placed or the next session, [the Legislative Assembly agrees] [Substituted by the Tamil Nadu Adaptation of Laws and Order, 1987.] in making any modification in any such rule or [the Legislative Assembly agrees] [Substituted by the Tamil Nadu Adaptation of Laws and Order, 1987.] that the rule should not be made/ the rule shall, thereafter, have effect only in such modified form or be of no effect, as the case may be, so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.