

# Terminal Tax on Railway Passengers Act, 1956

UNION OF INDIA

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### Act 69 of 1956

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Terminal Tax on Railway Passengers Act, 1956(Act No. 69 of 1956)Last Updated 29th July, 2019Statement of Objects and Reasons. - The terminal taxes on passengers carried by railway (including pilgrim taxes) now in force are those leviable under the local enactments passed before the 1st day of April, 1937, on which date the Government of India Act, 1935, came into force. That Act made terminal taxes on passengers carried by railway a Central subject, but at the same time authorised the continuance of the levy of the existing terminal taxes on passengers carried by railway until provision to the contrary was made by the Central Legislature. Under the Constitution of India also, terminal taxes on passengers carried by railway are a matter in the Union List, and under Art. 269 of the Constitution such taxes shall be levied and collected by the Government of India but shall be assigned to the States in the manner provided in clause (2) of that Article. Under Article 277 of the Constitution, all taxes levied by the Government of any State or by any municipality or other local authority or body before the commencement of the Constitution shall continue to be levied after such commencement until provision to the contrary is made by Parliament by law. It is under this saving provision of the Constitution that the existing terminal taxes referred to above are being levied till the present time. Whenever, however, there has been any need for the levy of any fresh terminal tax or for the enhancement of any of the existing terminal taxes (including pilgrim taxes), the practice has been to have recourse to the Ordinance making powers of the President. For example recently the Madras Terminal Tax on Railway Passengers Ordinance, 1956 was promulgated to levy a terminal tax on railway passengers visiting Kumbakonam on the occasion of the Mahamakham festival. In order to obviate the need for the issue of an Ordinance on each such occasion for any fresh or increased levy, general legislation is desirable and this also finds favour with the different State Governments and various local bodies who have been pressing for such a general legislation for quite some time past. After having considered the recommendations of the taxation Inquiry Commission, 1953-54, relating to the levy of terminal tax on passengers carried by railway, sea and air, it has been decided that legislation for the levy of terminal tax should, for the present be confined to passengers carried by railway to and from places of pilgrimage melas, fairs, exhibitions etc. The proposed legislation should provide that the places of pilgrimage, melas, fairs, exhibitions, etc., in respect of which, the rate (not exceeding the maximum rates specified in the legislation) at which and the period for which, the terminal tax

may be leviable will be notified by the Central Government in the Official Gazette. The terminal tax will be leviable in respect of every ticket whether single or return; there will be a free zone not exceeding a radius of forty miles within which no tax will be leviable and different rates of tax may be fixed for long distance passengers and short distance passengers. The Central Government should have the power to vary the rates of the tax or to discontinue the levy in respect of any place by notification in the Official Gazette. The present Bill is designed to achieve the objects set forth above. [Dated 12.12.1956.] An Act to provide for the levy of a terminal tax on passengers carried by railway from or to certain places of pilgrimage or where fairs, melas or exhibitions are held. Be it enacted by Parliament in the Seventh Year of the Republic of India as follows: -

## **1. Short title, extent and commencement.**

(1) This Act may be called the Terminal Tax on Railway Passengers Act, 1956. (2) It extends to the whole of India. (3) It shall come into force on such [date] [1st April, 1957, vide notification No. S.R.O. 867, dated 8th March, 1957, see Gazette of India, Extraordinary, Part II, section 3.] as the Central Government may, by notification in the Official Gazette, appoint.

## **2. Definitions.**

- In this Act, unless the context otherwise requires, -(a) "maximum rates" mean the rates of terminal tax specified in the Schedule; (b) "mela" means a public gathering on the occasion of any religious festival; (c) "notified place" means a place of pilgrimage or a place where a fair, mela or exhibition is being or is likely to be held, which the Central Government has, by [notification in the Official Gazette] [For some such notification : see S.O. 26, D/-17-12-1958; S.O. 1764, D/-19-7-1961; S.O. 361, D/-22-1-1962; S.O. 364, D/-24-1-1962; S.O. 931, D/-27-3-1962; S.O. 3111, D/-29-9-1962; S.O. 13, D/-23-12-1964; S.O. 3210, D/-1-10-1965; S.O. 457, D/-25-1-1968.], declared to be a notified place for the purpose of this Act; (d) "railway administration" has the meaning assigned to it in the Indian Railways Act, 1890 (9 of 1890).

## **3. Terminal tax on passengers carried by railway from or to notified places.**

(1) Subject to the other provisions contained in this Act, there shall be levied on all passengers carried by railway from or to any notified place a terminal tax in respect of every railway ticket (whether single or return) at such rates not exceeding the maximum rates as the Central Government may, by notification in the Official Gazette, fix; and such notification shall specify the date with effect from which, and may also specify the period for which, the terminal tax shall be leviable: Provided that where no such period is specified in the notification, the terminal tax shall be leviable for so long as this Act is in force. (2) Subject to the maximum rates, different rates of terminal tax may be fixed, -(a) in relation to different notified places; and (b) in respect of short-distance passengers and long-distance passengers; provided that the rate in respect of short-distance passengers shall be always lower than that in respect of long-distance passengers. Explanation. - In this sub-section a passenger travelling by railway from or to any notified place to or from a distance of not more than one hundred and fifty miles shall be deemed to be a short-distance passenger and any other passenger travelling by railway shall be deemed to be a

long-distance passenger.

#### **4. Terminal tax not to be levied within certain limits.**

- No terminal tax shall be levied on any passenger travelling by railway from or to any notified place to or from any railway station situated within a radius of forty miles from that notified place or within such shorter distance from that place as the Central Government may, by notification in the Official Gazette, specify.

#### **5. Power of Central Government to vary rates of tax.**

- The Central Government may, by notification in the Official Gazette, vary from time to time in respect of railway passengers generally or a class of railway passengers the rates of the terminal tax levied in relation to any notified place under section 3.

#### **6. Power of Central Government to discontinue levy.**

- The Central Government may, by notification in the Official Gazette, declare that with effect from such date as may be specified in the notification, the terminal tax levied in relation to any notified place shall for reasons specified in the notification cease to be levied in relation to that place.

#### **7. Mode of recovery of tax.**

(1)The terminal tax levied under this Act shall be collected by means of a surcharge on fares by the railway administration, and where it is so collected the railway administration shall have all the powers and remedies for the recovery thereof as though the same were a rate or fare which the railway administration is empowered to levy under the Indian Railway Act, 1890 (9 of 1890).(2)Such portion of the total proceeds of the tax attributable to any notified place as the Central Government may from time to time ascertain shall be deducted to meet the cost of collection of the tax.

#### **8. No other terminal tax on railway passengers when terminal tax under this Act is levied.**

- Notwithstanding anything contained in any law where a terminal tax in relation to any notified place is levied under this Act on passengers carried by railway, no other terminal tax in relation to such place shall be levied under any other law on such passengers.

#### **9. Exemptions.**

- Nothing contained in this Act or in any other law shall be deemed to authorise the levy of a terminal tax on the following classes of passengers carried by railway, namely: -(a)children not over three years of age;(b)police officers travelling on railway warrants;(c)persons travelling or military

warrants and troops travelling in reserved vehicles at vehicle rate; and (d) free pass holders. The Schedule Maximum Rates of Terminal Tax [See section 2(a)]

1	2				
Class of accommodation	Maximum rates of terminal tax				
(a)(In respect of every single ticket)	(b)(In respect of every return ticket)				
	Rs.	A.	P.	Rs.	A. P.
Air-conditioned or first class	1	8	0	3	0 0
Second Class	1	0	0	2	0 0
Third Class	0	8	0	1	0 0