

# THE CONSTITUTION (EIGHTY-EIGHTH AMENDMENT) ACT, 2003,

India

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### Act 88 of 2003

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An Act further to amend the Constitution of India. BE it enacted by Parliament in the Fifty-fourth Year of the Republic of India as follows:-

#### 1. Short title and commencement. -

(1) This Act may be called the Constitution (Eighty-eighth Amendment) Act, 2003. (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

#### 2. Insertion of new article 268A. -

After article 268 of the Constitution, the following article shall be inserted, namely:- Service tax levied by Union and collected and appropriated by the Union and the States." 268A. Service tax levied by Union and collected and appropriated by the Union and the States.-(1) Taxes on services shall be levied by the Government of India and such tax shall be collected and appropriated by the Government of India and the States in the manner provided in clause (2). (2) The proceeds in any financial year of any such tax levied in accordance with the provisions of clause (1) shall be-(a) collected by the Government of India and the States; (b) appropriated by the Government of India and the States, in accordance with such principles of collection and appropriation as may be formulated by Parliament by law."

#### 3. Amendment of article 270. -

In article 270 of the Constitution, in clause (1), for the words and figures "articles 268 and 269", the words, figures and letter "articles 268, 268A and 269" shall be substituted.

#### **4. Amendment of Seventh Schedule. -**

In the Seventh Schedule to the Constitution, in List I-Union List, after entry 92B, the following entry shall be inserted, namely:- "92C. Taxes on services." [The Constitution (Eighty-eighth Amendment) Act, 2003, aims to bring about positive changes in India by strengthening the institutions of government, especially the judiciary, reducing corruption, and promoting cooperative economic activities. It also gives greater power to the Parliament to enact laws dealing with anti-national activities. The 88th Amendment of the Indian Constitution introduces several important changes, including the addition of a new entry in the Constitution's Seventh Schedule after entry 92B in List I-Union List, called 'Services taxation' (92C). The suggested amendment aims to increase state revenues under planned regulation and pave the way for the subsequent integration or inclusion of services under the purview of state-level VAT. Also Refer]