

¹[CHAPTER XAA.

FINANCE COMMISSION.

126AA. (1) The finance Commission shall review the financial position of the Finance Commission. Corporation and make recommendation as to—

(a) the principles which should govern—

(i) the distribution between the State and the Corporations of the net proceeds of the taxes, duties, tolls and fees leviable by the State, which may be divided between them and the allocation between the Corporations at all levels of their respective shares of such proceeds;

(ii) the determination of the taxes, duties, tolls and fees which may be assigned to, or appropriated by, the Corporations;

(iii) the grants-in-aid to the Corporations from the Consolidated Fund of the State;

(b) the measures needed to improve the financial position of the Corporation,

(c) any other matter referred to the Finance Commission in the interest of sound finance of the Corporations.

(2) Every recommendations made by the Commission together with an explanatory memorandum as to the action taken thereon shall be laid before the State Legislature.]

²[CHAPTER X-A.

FINANCIAL ASSISTANCE TO CORPORATIONS.

126A. ³[(1) The State Government may, after considering recommendations of the ⁴[Finance Commission or otherwise] determine whether for augmenting the finances of the Corporation for any of the purposes of this Act it is necessary to make any grant to the Corporation and if so, the amount thereof. Power of State Government to make grants.

(2) The grant so determined shall be made to the Corporation every year but it may be revised after a period of every five years having regard to the recommendations of the ⁴[Finance Commission or otherwise] in respect of the revision of grants to Corporations.]

(3) Every grant under this section shall be made after due appropriation made by the State Legislature by law in this behalf.

(4) The payment of a grant to a Corporation shall be subject to the condition that if there be any amount due from the Corporation to the State Government, it shall be lawful for the State Government to recover the amount from the Corporation by making the deduction from the amount of the grant payable to the Corporation under sub-section (2).

CHAPTER X-B.

TAXATION BY THE STATE GOVERNMENT.

126B. (1) On lands situated within the limits of a City, the State Government shall levy, on the conditions and in the manner hereinafter described, a cess at the rate of fifty paise on every rupee of— Levy of fifty paise cess on every rupee of land revenue.

(a) every sum payable to the State Government as ordinary land revenue except sums payable on account of any of the charges mentioned in sub-section (2) and except sums payable on account of any of the charges which may be notified by the State Government in this behalf;

(b) every sum which would have been payable as land revenue by a small holder as defined in the *Explanation* to section 45 of the Bombay Land Revenue Code, 1879 in respect of the land held by him for the time being for the purpose of agriculture, had land revenue been payable in respect of such land under the said section by such small holder; and

Bom. V of
1879.

1. Chapter XAA was inserted by Guj. 16 of 1993, s. 16.

2. Chapters X-A and X-B were inserted by Guj. 1 of 1979, s. 12.

3. Sub-sections (1) and (2) were substituted by Guj. 12 of 1979, Schedule, Sr. No. 1.

4. These words were substituted for the words "Gujarat Municipal Finance Board" by Guj. 16 of 1993, s. 17.