

**GOVERNMENT OF PUDUCHERRY
ABSTRACT**

Finance Department - Deduction of Profession Tax from the salary of Employees of Government Departments/Officers, Autonomous Bodies, Corporations, Boards, Societies, Public Sector Undertakings, etc., under Puducherry Municipalities Act, 1973 and Puducherry Village and Commune Panchayats Act, 1973 - Instructions - Issued.

FINANCE DEPARTMENT

G.O.Ms.No.24/F3/2017

Dt.04.07.2017.

- READ: 1. Circular No.79012/FD/F3/2009 dt.27.11.2009 of Finance Department, Puducherry.
2. The Puducherry Municipalities (Amendment) Act, 2017, dt.09.05.2017 published in the Gazette of Puducherry dt.17.05.2017.
3. The Puducherry Village and Commune Panchayats (Amendment) Act, 2017, dt.08.05.2017 published in the Gazette of Puducherry dt.11.05.2017.

ORDER:

In the circular cited under reference (1) above, the Finance Department has issued instructions to the Drawing and Disbursing Officers of all Government Departments/Officers, Autonomous Bodies, Corporations, Boards, Societies, Public Sector Undertakings, etc., on the statutory importance of recovery of Profession Tax from their employees as provided in the Puducherry Municipality Act, 1973 and Puducherry Village and Commune Panchayats Act, 1973 which is the second largest source of revenue to the Local Bodies.

2. As a step towards strengthening the finance of Local Bodies and to augment the resources, the Local Administration Department has issued orders upwardly revising the Profession Tax by amending the said Acts vide reference 2nd and 3rd cited. In terms of the said Municipalities (Amendment) Act, 2017 and Panchayats Act, 2017 the minimum half yearly rates of Profession Tax have been upwardly revised as follows:

Class	Half-Yearly Income (Rs.)	Minimum Half Yearly Tax (Rs.)
(1)	(2)	(3)
I	Upto 99,999	Nil
II	1,00,000 to 2,00,000	250
III	2,00,001 to 3,00,000	500
IV	3,00,001 to 4,00,000	750
V	4,00,001 to 5,00,000	1,000
VI	5,00,001 and above	1,250

3. With a view to reduce the burden of the Government officials on account of the upward revision of profession tax as stated above, the Local Administration Department has proposed for recovery of Profession Tax on instalment basis. Hence, it has been decided to collect the Profession Tax on quarterly basis for the salaries earned for every three months from the salary payable for the last month of the quarter ending as detailed below:

Quarter	Period of the quarter	Salary of the month in which the recovery has to be effected
First	March - May	May
Second	June - August	August
Third	September - November	November
Fourth	December - February	February

4. Accordingly, the Drawing and Disbursing Officers of all Government Departments/Officers, Autonomous Bodies, Corporations, Boards, Societies, Public Sector Undertakings, etc., under the control of the Government shall deduct the Profession Tax payable by their employees for every quarter from the salary payable for the last month of the quarter ending at the rate calculated proportionately on the basis of the half-yearly tax as detailed below.

Class	Gross Income of the Government Servant earned for 3 months (Rs.)	Maximum quarterly Tax to be recovered (Rs.)
(1)	(2)	(3)
I	50,000 - 1,00,000	125
II	1,00,001 - 1,50,000	250
III	1,50,001 - 2,00,000	375
IV	2,00,001 - 2,50,000	500
V	2,50,001 and above	625

The Directorate of Accounts and Treasuries shall remit the deducted tax amount to the respective local body concerned within 15 days from the date of deduction by way of issue of a separate cheque, on the line of the procedure followed in the case of Income-Tax deduction.


5. In terms of Rule 9(a) of the Puducherry Municipalities (Profession Tax) Rules, 1976 and Rule 9(a) of the Puducherry Village and Commune Panchayats (Profession Tax) Rules, 1976, every Drawing and Disbursing Officer shall continue to furnish to every employee, at the time of payment of salary or wage or any other sum, to whom such payment is made, a certificate thereof duly signed by him or by some other person duly authorised by him in that behalf. The certificate shall specify the following details:

- i) Date of grant thereof
- ii) Name of the person to whom it is granted
- iii) Period for which payment has been made
- iv) Amount paid.

6. The Director of Accounts & Treasuries shall arrange for the required modification in the online PAY SOFT e(salary) software for the deduction of Profession Tax from the salary of the employees at the source, every quarter in consultation with NIC and the Local Administration Department, Puducherry.

7. This order takes immediate effect.

//By Order//


(K. GOVINDARAJAN)
UNDER SECRETARY (FINANCE)

To

1. All the Secretariat Departments.
2. The Collector, Karaikal.
3. All the Heads of Departments/Offices.
4. The Regional Administrator, Mahe/Yanam.
5. All the Heads of Boards, Corporations, Societies/Autonomous Bodies, Undertakings, etc., under the control of the Government.
6. All the Drawing & Disbursing Officers of all Departments/Offices, Boards, Corporations, Societies/Autonomous Bodies, Undertakings, etc., under the control of the Government.
7. The Deputy Accountant General, Puducherry.
8. The Director, Local Administration Department, Puducherry.
9. The Director of Accounts & Treasuries, Puducherry.
10. The Examiner, Local Fund Accounts, Puducherry.
11. The Assistant Examiner, Local Fund Accounts, Puducherry.
12. The Deputy Director of Accounts & Treasuries, Karaikal/Mahe/Yanam.
13. The Commissioner of all the Municipalities/Commune Panchayats.
14. The Central Records Branch, Puducherry.
15. G.O. file/spare copy file.