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OFFICE OF THE ACCOUNTANT GENERAL (C & R AUDIT)

UTTAR PRADESH, LUCKNOW

BRANCH OFFICE, ALLAHABAD

REVENUE AUDIT MANUAL

ENTERTAINMENT AND BETTING TAX

THIRD EDITION

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REVENUE AUDIT MANUAL

UTTAR PRADESH ENTERTAINMENT AND BETTING TAX

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PREFACE

It gives me immense pleasure in presenting the third edition of the audit manual on Uttar Pradesh Entertainment and Betting Tax. Since 2000 when the second edition of this manual was brought out, several changes in the relevant acts and rules have taken place, which have been incorporated in the third edition so as to make it up to date.

This Manual has been prepared for guidance of the officers and staff auditing Entertainment and Beeting Tax receipts and refunds. In this Manual, the relevant provisions of the Law and the procedure for assessment and collection of Entertainment and Betting Tax have been set out. However, in course of audit, reference has to be made to the Act or the Rules framed thereunder. Such a reference should be to the sections and rules of the various Acts and Rules framed thereunder and not to the paragraphs of this Manual.

The material contained in this Manual may require modifications in light of further experience gained in course of field audit and subsequent orders and instructions issued by the State Government from time to time. The Receipt Audit Wing (State) will be responsible for keeping the Manual up to date.

The Manual should be treated as a guide only and the audit checks indicated should not be taken as exhaustive. Errors or omissions in the Manual may be brought to the notice of the Accountant General (C & R Audit), Uttar Pradesh, Lucknow. Suggestions for further improvement of this Manual are also welcome.

Finally, I take this opportunity to express my sincere thanks to Sri Ram Shiromani, Senior Audit Officer and Sri Allah Raham (AAO) in my office, for their earnest effort in collecting all the background resource material and for all their valuable contribution in updating this manual.

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March 2007

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CHAPTER - 1
LEGISLATIVE BACKGROUND, ORGANISATIONAL SETUP AND BASIS FOR LEVY OF ENTERTAINMENT TAX

Legislative Provisions

1.1 The taxes and fees on entertainment, amusements, betting tax and gambling are levied by the State Government by virtue of the powers vested in it, under Article 246 (3) of Constitution read with entries 62 and 66 of list II of the Seventh Schedule to the Constitution of India.

1.2 Entries 33 and 34 of the aforesaid list also empower the State Government to make laws on theatres and dramatic performances, cinemas (subject to the provisions of entry 60 of list - I i.e. Union List), sports, entertainments, amusement, betting and gambling.

Basis for levy of Tax

1.3 Article 265 of the constitution provides that no tax shall be levied or collected except by authority of law. Accordingly, the levy of taxes and fees on these items in Uttar Pradesh State is based on and is regulated by the provisions of the following enactments :

(i) The U.P. Entertainment and Betting Tax Act, 1937.
(ii) The U.P. Entertainment Tax Rules, 1937.
(iii) The U.P. Totalizator and Betting Tax Rules, 1937.
(iv) The Cinematograph Act, 1918.
(v) The U.P. Cinema (Regulation) Act, 1955.
(vi) The Cineamatograph Rules, 1951.
(vii) The U.P. Cinematograph Act, 1952.
(viii) The U.P. Cinema (Regulation of Exhibition by means of Video) Rules, 1988.
(ix) The U.P. Entertainment and Betting Tax Act, 1979.
(x) The U.P. Entertainment and Betting Tax Rules, 1981.

Organisational Setup

1.4 Organisation : The Provisions of these enactments are administered by the Finance Department of the Government in respect of Entertainment Tax and the General Administration Department in respect of cinemas, through the Commissioner, Entertainment and Betting Tax with the headquarters at Lucknow. In the discharge of his duties, he is assisted by one Additional Commissioner and one Assistant Com-

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missioner of Entertainment and Betting Tax, with headquarters at Lucknow. The District Magistrate of each district functions as the District Entertainment Tax Officer. He is assisted by Entertainment Tax Inspectors. For the purpose of checking evasion of tax by the exhibitors, the assistant commissioner, Entertainment and Betting Tax (Squad), assisted by senior Entertainment Tax Inspectors have been posted with headquarters at Agra, Allahabad, Bareilly, Faizabad, Gorakhpur, Jhansi, Lucknow, Meerut, and Varanasi.

Levy Collection and Payment of Tax

1.5 Basis for Levy of Entertainment Tax : The Entertainment Tax is levied, collected and paid to Government, on all payment for admission to any entertainment, at the rates which the Government may from time to time specify through notification in the official Gazette. The Tax shall be collected by the proprietors of the entertainment house and credited to the Government account within 3 days from the last day of each week ending with Sunday.

Taxes on certain forms of betting are dealt with in Chapter - 5 of this manual.

[Section 3 (i) & 4 (i) U.P.E.& B.T., Act, 1979]

1.6 The expressions 'payment for admission' and 'entertainment' referred to above have been defined in the Act, as follows :

Payment for admission

(a) Payment for admission includes :

(i) Any payment made by a person who, having been admitted to one part of a place of entertainment is subsequently admitted to another part thereof, for admission to which a payment involving tax or more tax is required.

(ii) Any payment for seats or other accommodation in a place of entertainment.

(iii) Any payment for a programme or synopsis of entertainment, and

(iv) Any payment for any purpose whatsoever connetced with an entertainment, which a person is required to make as a condition of attending or continuing to attend the entertainment in addition to the payment, if any, for admission to the entertainment.

[Section 3 of U.P.E & B.T. Act, 1979]

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Entertainment

(b) 'Entertainment' includes any exhibition, performance, amusement, game or sport to which people are admitted for payment.

[Section 3 (3) of U.P.E & B.T. Act, 1979]

Rates of Tax

1.7 Rates of Tax and miscellaneous provisions : The Rates at which tax is leviable on payments for admission to various categories of entertainment, enforced ar present, are given below :

Sl. No.	Classes of Entertainment	Rates of Entertainment Tax
1.	Cinematograph exhibition in a cinema other than interior cinema : On each payment for admission up to :	
	(i) 50 Paise	75 percent of such payment
	(ii) from 51 Paise to Re. 1	100 persent of such payment
	(iii) above Re. 1	100 percent of such payment
		* 60 % of every payment of (i), (ii) and (iii) w.e.f. 15-11-2002
2.	Housie	125 percent of each payment for initial admission to the game and of each payment attending for or continuing to attend the game (whether such payment is described as the price of cards or booklets or otherwise)
3.	Joyrides in aeroplanes	50 percent of each payment for admission
4.	Horse race	100 percent of each payment for admission where such payment does not exceed 1 Rupee, and 100 and 25 percent in other cases
5.	All other classes of entertainment not covered by items 1 to 4 (including mimicry, carnival, puppet shows, magic shows, games and skill and video games)	30 percent of each payment for admission

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6.	**Interior Cinema**	
	In a local area having a population :	
	(i) up to 10,000	1, 500 per week
	(ii) over 10,000	3, 000 per week

[Section 3(i), 4 (i) of U.P.E & B.T. Act, 1979]

[Notification No. 1534/11-ka. San. Vi-6-98-Bees-M 1871, dated 07-09-1998]

**[Notfication No. 2388/11-ka. Ni-6-2002 Bees -R (i) / 2000 dated 15 Nov. 2002]*

Tax on Video Cinema

1.8 (1) Thr proprietor of a video cinema shall be liable to pay Entertainment Tax at the following rates :

Sl.No.	Classes of Entertainment	Rates of Entertainment Tax
1.	(i) In a permanent building situated in a local area having no permanent cinema	Rs. 2, 500 per week
	(ii) Video cinema in a permanent building situated at 500 meters from the outer limits of a local area with population exceeding 5 lakhs and having a cinema in a permanent building.	Rs. 2, 800 per week
	(iii) Video cinema in a permanent building situated at 1000 meters from the outer limits of a local area with population exceeding 50,000 but not exceeding 5,00,000 and having a cinema in a permanent building.	Rs. 1, 500 per week
	(iv) Video cinema in a permanent building situated at 1,500 meters from the outer limits of a local area with population up to 50,000 and having a cinema in a permanent building	Rs. 1,000 per week
	(v) Video Cinema in a temporary building situated 2 kilometer form a cinema in a permanent building with in a local area In a local area with population : (a) Up to 50, 000 (b) Exceeding 50,000 but not	 Rs. 1,000 per week Rs. 1, 500 per week

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	exceeding 5,00,000 (c) Exceeding 5,000	Rs. 2,000 per week
	(vi) Video Cinema in a temporary building situated in a local area, having no cinema in a permanent building with population : (a) Up to 10, 000 (b) Exceeding 10,000	 Rs. 1, 500 per week Rs. 3, 000 per week
2.	Exhibition by means of video in public service vehicle	Rs. 1, 500 per month
3.	Exhibition by means of video in rooms of a hotel : Hotel situated in a local area with population : (a) Up to 50, 000 (b) Exceeding 50, 000 but not exceeding 2 lakh (c) Exceeding 2 lakh	 Rs. 20/- per room per week Rs. 30/- per room per week Rs. 40/- per room per week

[Section 4 (a) (1) (2), 4 (b) (1) (3) of U.P.E & B.T. Act, 1979 and Notification No. 3,400/11-M.K-94-Bees. R. (b)/93 dated 18-10-1994]

1.8 (2)

Sl. No.	Class of Entertainment	Rates of Entertainment Tax
1.	Cable Television Network	
	(i) Situated in "A" and "B" class city and the cities/local areas have population more than one lac.	(i) Rs. 30.00 per connection per month, where the maximum subscription charge does not exceed Rs. 200.00 (including taxes).
	(ii) Situated in "C" Class city and local areas having population exceeding fifty thousand but not exceeding one lac.	(ii) Rs. 20.00 per connection per month . where the maximim subscription charge does not exceed Rs. 150.00 (including taxes).
	(iii) All places other than places mentioned in classes (i) and (ii) above.	(iii) Rs. 10.00 per connection per month, where tha maximum charge does not exceeding Rs. 100.00 (including taxes).

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Condition : In case monthly subscription charge exceeds : the maximum amount given above the additional Entertainment Tax shall be levied and paid for increase of each Rs. 50.00 equal to the lump sum amount per month fixed for the corresponding class of cities/local areas :

Privided that where the increase in monthly subscription charge is less than Rs. 50.00 the tax will be calculated on pro-rata basis.

Notification No. 18/XI - KA - NI - 6 - 2001 20 M (121) 2003 dated January 14, 2001

Tax exempt up to ticket of 50 Paise

No tax is levied on the aforesaid items of entertainment having rate of payment up to 50 Paise only. However, in the case of a single entertainment having different rates of payments for admission, including a rate or rates up to 50 Paise as well as a rate or rates above 50 paise, the tax is leviable in respect of all the rates.

1.9 Any child not exceeding five years in age is admitted either free of payment or on payment of reduced sum and shall be given a ticket by the proprietor showing clearly thereon the payment for admission made, or if no payment is made then the word "free" shall be printed there on.

[Rule 35 (1) (a) and 5 of U.P.E & B.T. Rules, 1981]

Tax payable on actual sum paid for admission

1.10 A child exceeding 5 years but not exceeding 12 years in age, if admitted on payment of reduced sum, shall pay the tax only on the sum actually paid by him for admission.

[Rule 35 (a) of U.P.E & B.T. Rules, 1981]

Admission free or concessional rate liable to pay full tax

1.11 If no any entertainment, to which admission is generally on payment, any person is admitted free of charge or at a concessional rate, he would be liable to pay the same amount of entertainment tax as would be payable by him had he been admitted on full payment to the class to which he is admitted. The ticket shall be issued in the same manner, as if were a ticket issued on payment of the full charge.

[Section 3 (4) of U.P.E & B.T. Act, 1979]

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Admission on lump sum basis

1.12 Where the the payment for admission to an entertainment is made by means of a lump sum, paid as subscription, contribution, donation or otherwise, the tax shall be paid on the amount of such lump sum and on the amount of payment for admission, if any, made otherwise.

[Section 3 (5) of U.P.E. & B.T. Act, 1979]

Admission with ticket only

1.13 No person is to be admitted to any entertainment, except with a ticket denoting that the proper entertainment tax payable thereon has been paid.

Surcharge

1.14 With effect from ist April 1973, a surcharge of ten Paise is to be levied in each payment for admission irrespective of the class of ticket, which to be collected by the proprietor of the entertainment. However, it is not to be charged in the case of exhibition of children's films produced by the Children Films Society of India and also on the tickets issued to the Defence personnel.

Exemptions

1.15 The entertainment tax shall not be charged on payments for admission to any entertainment, where the Government is satisfied :

(a) that the entire proceeds hereof are devoted to philanthropic, religious or charitable purposes, without any charge on the proceeding for any expenses of the entertainment ; or

(b) that the entertainment is of a wholly educational character (in case of any difference, the point will be determined by the Government in the Department of Education) ; or

(c) that the entertainment is provided for partly educational or partly scientific purposes by a society not conducted or established for profit, or

(d) that the entertainment is provided by a society which is established solely for the purpose of promoting the interest of industry, agriculture or public health, and which is not conducted for profit, and consists

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solely of an exhibition of the products of the industry or branch thereof, or of materials, machinery, appliances or food-stuff used in production of the those products, or of articles which are of material interest in public health, as the case may be.

[Rules 35 (1) to (6) of U.P.E. & B.T. Rules, 1981]

Provided that the person claiming exemptions from payment of the entertainment tax presents an application for such exemptions to the District Entertaiment Tax Officer, seven clear days before the date of commencement of entertainment.

[Section 11 of U.PE. & B.T. Act, 1979]

Certificate of Exemption

1.16 The certificate of exemption from payment of entertainment tax will be granted by the District Entertainment Tax Officer (District Magistrate), in form 'D' appended to the U.P. Entertainment Tax Rules, 1981 and the proprietor of the entertainment shall have to comply with the conditions set out therein.

[Secion 11 of U.P.E. & B.T. Act, 1979]

1.17 In section II of the Principal Act :-

(a) *for* sub-section (4) the following sub-section shall be substituted namely,

"(4) Where the entire gross proceeds of an entertainment are to be devoted to philanthropic, religions or charitable purposes without any deductions whatsoever on account of the expenses of the entertainment, the Districts Magistrate :-

(a) may, in the case of the entertainment where entire gross proceeds do not exceed rupees twenty thousand, subject to the rules made under this Act, grant examption to such entertainment from payment of tax under this Act on such terms and conditions as he may deem fit to impose :

(b) shall, in the case of the entertainment whose enitre gross proceeds exceeds rupees twenty thousand, refer the matter to the Entertainment and Betting Tax Commissioner along with his recommendations and other relevant records and the Commissioner may, subject to the rules made under this Act, grant exemption to such entertainment from payment of Tax under this Act on such terms and conditions as he may deem fit to impose."

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(b) in sub-section (5) and (6) for the words Districts Magistrate, wherever occuring, the words "Districts Magistrate or Entertainment and Betting Tax Commissioner, as the case may be" shall be substituted.

[Sub- section 4 of Section 11]

Occasion for refund of tax

1.18 Where the Government is satisfied that the entire net proceeds of an entertainment are devoted to philanthropic, religious or chartiable purposes and that in calculating the net proceeds, not more than 25 percent of the gross proceeds have been deducted on account of expenses of the entertainment, they shall repay to the proprietor the amount of the entertainment tax paid in respect of the entertainment.

[Section 9 (3) of U.P.E. & B.T. Act, 1979]

Application for refund within 12 months

Any person claiming refund of the Entertainment Tax shall present an application to this effect before the District Entertainment Tax Officer, within 12 months from the date of deposit of the tax, stating clearly the period to which the tax relates.

An application for refund not submitted within the aforesaid period of 12 months shall be liable to be rejected.

[Rule 28 of U.P.E.T. & B.T. Rules, 1981]

Classes of entertainment exempt

1.19 The Government may, by general or special order exempt any entertainment or class of entertainment from payment of entertainment tax, provided that the application for exemption is made to the officer prescribed in this behalf, not later than ten days before the date of entertainment. For the present, the following classes of entertainments are exempted from payment of Entertainment Tax.

(1) Drama
(2) Nautanki
(3) Kuawali
(4) Kavi Sammelan
(5) Mushaira
(6) Classical and non classical music

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(7) Classical and non classical dance

(8) Veriety programs consisting exclusively of two or more of items 1 to 7 above

(9) Games and sports organized at all level which includes any regular or show games of Olympic, Asiad or National Games or which may be regulated by the bodies recognized by sports Authority of India but does not include Poolgame, Balling-ale or Skooner, Jairogames, where any sports man either self or through his teem at the same time for entry or participation in the game, has to pay rupees exceeding twenty five.

(10) Skating

(11) Dangals and wrestling bouts including free style wrestling and

(12) Circus including acrobatic feats.

[Section 11 of U.P.E. & B.T. Act, 1979 and Notification No 709/11 Ka. Ni-6-2003 Bees.M. (116)/2000 T.C 26 March 2003]

Classes of persons exempt

1.20 The following persons are also exempt from payment of entertainment tax :

(1) Where child not exceeding 5 years of age is admitted free of payament.

(2) A solider, sailor or airman (not an officer) of the United Nations in uniform.

(3) Member of the armed forces, their families and their guests when admitted to a performance organised and produced exclusively for the members of the armed forces, under the orders of the Government of India.

(4) Chairman and members of the Central Board of Film Censors, the regional officers of the Central Board of Film Censors, Chennai, Calcutta, the Assistant Regional Officer, Mumbai and the members of the advisory Panel Mumbai, Calcutta, Chennai of the said Board on complimentary tickets issued to them by the exhibitor, to facilitate their entry to a licensed cinema for the purpose of satisfying themselves that the provisons of the Cinematograph (Censorship) Rules, 1958 are being carried out.

(5) The representatives of the Film Divison, Ministry of Information and Broadcasting, Government of India, Mumbai, on complimentary tickets issued to them by the exhibitor or, facilitate their entry into a

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licensed cinema for ensuring the observance of terms and conditions of the contract entered into by the exhibitors, with the President of India, regarding the supply and exhibition of approved films.

(6) When a chid exceeding 5 years but not exceeding 12 years in age is admitted on payment of a reduced sum, tax shall be levied only on the payment for admission, actually made by him.

(7) A person who has some duty to perform in connection with the entertainment or duty imposed upon him by law.

[Rule 35 of U.P.E. & B.T. Rules, 1981]
[Section 11 (2) of U.P.E. & B.T. Act, 1979]

Security

1.21 Every proprietor of an entertainment who is required to pay tax under the Act shall furnish such security as he may be required by the competent authority and execute a bond in that respect in Form 'E' appended to the U.P. Entertainment Tax Rules, 1981. Amount of security shall not, however, be more than the amount of total Entertainment Tax chargeable for the full seating capacity of the hall for eight days, as calculated with reference to the number of maximum shows during eight days shall not be less than 25 percent of such amount.

In case of temporary or casual entertainments, the amount of security shall not be less than Rs. 1,000/-

[Rule 32 U.P.E. & B.T. Rules, 1981]
[Notification No. XXX/E. B-6 (2)-82, dated 11-01-1983]

Forfeiture and deductions

1.22 The District Officer is authorised :

(a) to vary the amount of security, if he considers it to be necessary.

(b) to forfeit in whole or part the amount of security, if any evasion of entertainment tax is proved.

(c) to deduct the amount of the arrears of Entertainment Tax from the amount of security, and to suspend the license or permission for holding of the entertainment, if the proprietor does not make good the amount of security before the next week falls due.

[Rule 33 U.P.E. & B.T. Rules, 1981]

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CHAPTER - 2
MODE OF PAYMENT OF TAX

Tax collected by proprietors

2.1 The tax shall be collected by the proprietors of the entertainment and paid to the Government weekly. The proprietor of the entertainment may pay the amount of entertainment tax due, in the modes stated below :

[Section 8 (b), (c) & (d) U.P.E. & B.T. Act, 1979]
[Rule 24 of U.P.E. & B.T. Rules, 1981]

Various modes of payment of tax

(a) By stamping the tickets with an impressed, embossed, engraved or adhesive stamp, issued by the State Government for the purpose, denoting that the proper entertainment tax payble has been paid.

[Section 8 (a) of U.P.E. & B.T. Act, 1979] Or
[Section 8(b) of U.P.E. & B.T. Act, 1979]

(b) In accordance with returns of the payments for admission to the entertainment and on account of the tax.

[Section 8(b) of U.P.E. & B.T. Act, 1979]

Or

(c) By a consolidated payment of a percentage, to be fixed by Government, of the gross sum received by the proprietor on account of payments for admission to the entertainment and on account of tax.

[Section 8 (c) of U.P.E. & B.T. Act, 1979]

Or

(d) In accordance with results recorded by any mechanical contrivance, which automatically registers the number of persons, admitted.

[Section 8 (d) of U.P.E. & B.T. Act, 1979]

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2.2 Of these the mode of payment of tax mentioned in (b) aforesaid only, is in vogue in the State.

Details required on tickets

2.3 **Payment of tax :** Every ticket issued by a proprietor of an entertainment, who pays tax, otherwise than by stamp or in accordance with the results recorded by any mechanical contrivance, shall show upon it the price of admission (or if no price or a reduced price of admission is charged the usual price of admission to the class to which the holder is admitted), the amount of tax and the total amount payable. The prescribed authority is, however, empowered to relax these provisions in case of any proprietor, upon such condition and for such period as he thinks fit. The proprietor shall deposit the amount of tax into State Bank of India or Treasury as the case may be, within three days.

[Rule 24 of U.P.E. & B.T. Rules, 1981]

Submission of returns

2.4 The proprietor of an entertainment making payment in accordance with these provisions shall within three days from the last date of each week ending with Sunday, submit to the District Magistrate a return in form 'B' appended to the U.P. Entertainment Tax Rules, 1981, showing the number of tickets issued at each rate, the gross amount received from the sale of tickets, the amount of tax and surcharge collected. He shall also submit a return in form 'B' (1) showing the price of a programme or synopsis including tax, the number of programs or synopsis issued, the gross amount received from the sale thereof and the amount of tax collected.

[Rule 15 of U.P.E. & B.T. Rules, 1981]

Payment of tax by stamping the tickets

2.5 The proprietor of an entertainment, who pays the tax by stamping the tickets in accordance with provisions of clause (a) of Section 8 of the Act, every taxable ticket for admission shall also have securely affixed upon the middle and the outer counterfoil of the ticket, a stamp of the value of entertainment tax including surcharge, if any, payable thereon.

[Rule 17 of U.P.E. & B.T. Rules, 1981]

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2.6 Payment of tax on programs is synopsis will be calculated as follows :

(a) Where payment for a programme or synopsis is compulsory, the tax is levied on the total sum paid for admission to the entertainment including the sum paid for the programme or synopsis.

[Rule 16 of U.P.E. & B.T. Rules, 1981]

(b) Where the payment for a programme or synopsis in voluntary, the tax is levied separately on the sum paid for admission and on the sum paid for programme or synopsis.

Compounded payment of tax

2.7 The proprietor of a cinema opting to make compounded payment of tax which shall be valid for the period of a financial year, shall submit his written option in duplicate to the District Magistrate before the last date fixed by the Commissioner in form 'R' appended to these Rules, declaring the total number of shows to be exhibited in a day, number of seats in the cinema class-wise and the rates of tickets at full price and on reduced price, if any.

[Rule 24-A of U.P.E. & B.T. Rules, 1981]

Payment of lump sum tax for interior cinema

2.8 The proprietor of an interior cinema making payment of lump sum tax shall deposit the full amount of weekly tax levied by the Government in advance on the first day of each week beginning from Monday and the provisions of Rule 24 shall not apply to such cases.

[Rule 27 of U.P.E. & B.T. Rules, 1981]
[Section 4 of U.P.E. & B.T. Act, 1979]

Payment of tax for video cinema

2.9 The proprietor of a video cinema shall pay the tax in accordance with Section 4-A of the Act after closing of each week on Sunday in form 'H-1', showing the number of video shows held during the week.

[Section 4-A of U.P.E. & B.T. Act, 1979]
[Rule 27-A (I) of U.P.E. & B.T. Rules, 1981]

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Payment of tax for Video Cinema in Public Service Vehicle

2.10 The propriter of a public service vehicle shall pay the tax under Section 4-B of the Act monthly in advance on the first of every month and he submits the return in form 'U' to the District Magistrate of the district where his vehicle is registerd.

[Section 4-B of U.P.E. & B.T. Act, 1979]
[Rule 27-A (2) of U.P.E. & B.T. Rules, 1981]

Payment of tax through mechanical contrivance

2.11 When a proprietor of an entertainment is permitted to pay tax in accordance with the results recorded by any mechanical contrivance, which automatically register the number of persons admitted, he shall submit to the District Magistrate within three days from the last day of each week ending with Sunday, a return in form 'C' appended to the U.P. Entertainment Tax Rules 1981, showing the number of persons by the mechanical contrivance, the gross amount including tax paid for admission by such persons and the amount of tax including surcharge collected from them.

[Section 8 (d) of U.P.E. & B.T. Act, 1979]
[Rule 14 of U.P.E. & B.T. Rules, 1981]

Tax payable within three days of last week

2.12 Payment of tax : All payments enumerated above shall be made to the District Magistrate within three days from the last day of each week ending with Sunday, at such time and place and in such manner as he shall require.

[Rule 15 of U.P.E. & B.T. Rules, 1981]

Payment by means of challan

2.13 At present challan in triplicate alongwith weekly statement is submitted by the proprietor of the entertainment to the District Magistrate. The District Magistrate passes the challans and returns them to the proprietor who deposit the amount into the Treasury/State Bank Of India. The original copy of the challan is returned to the depositer. The triplicate copy of the challan is sent to the District Magistrate for departmental use.

[Rule 24 (2) of U.P.E. & B.T. Rules, 1981]

Adjusment of tax from security

2.14 Adjustment against security : If any proprietor of an entertainment does not

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deposit he amount of tax within three days from the last day of each week ending with Sunday, the District Magistrate is authorised to deduct the amount of tax for that week from the amount of security and may require the proprietor of the entertainment to make good the amount of security before the tax for the next week falls due.

[Rule 33 of U.P.E. & B.T. Rules, 1981]

Recoverable as arrears of land revenue

2.15 Recovery of arrears : Any sum due on a account of entertainment tax shall be recoverable by the Government as arrears of land revenue.

[Rule 33 (4) U.P.E. & B.T. Rules, 1981]

Penalties

2.16 The following penalties are leviable under the U.P. Entertainment and Betting Tax Act, 1979 :

(a) If any person liable to pay entertainment tax is admitted to a place of entertainment without payment of tax, the proprietor of the entertainment to which such a person is admitted shall on conviction before a Magistrate, be liable in respect of every such contravention to a fine not exceeding Rs. 3000/-.

[Section 25 (1) of U.P.E. & B.T. Act, 1979]

(b) If any person to whom exemption from payment of entertainment tax under section 11 (1) of the Act is granted, fails to comply with any of the conditions of exemption set out in the certificate, he may be liable to a penalty of Rs. 200/-.

[Section 11 (1) of U.P.E. & B.T. Act, 1979]

(c) Any person who prevents or obstructs the entry of any officer authorised by the Government to enter any place of entertainment for checking etc, he shall in addition to any other punishment to which he is liable under any law for the time being in force, be liable on conviction before a Magistrate, to a fine not exceeding Rs. 6000/-.

[Section 29 of U.P.E. & B.T. Act, 1979]

(d) If any person acts in contravention of, or fails to comply with any rules made by the State Government in respect of defacement of stamp, their amounts, renewal of damaged or spoiled stamps etc, he shall, on conviction before a Magistrate, be liable in respect of each

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such offence to a fine not exceeding Rs. 200/-

[Section 26 (2) of U.P.E. & B.T. Act, 1979]

(e) Whosoever resells any ticket for admission to an entertainment for profit shall be punishable with a fine not exceeding Rs. 200/-.

[Section 26 (2) of U.P.E. & B.T. Act, 1979]

(f) The security furnished by the proprietor of an entertainment may be forfeited in whole or in part if any evasion of entertainment tax is proved.

[Section 26 (2) of U.P.E. & B.T. Act 1979]

Amendment of Rule 4 of U.P. Entertainment and Betting Tax 1981

2.17 In rule-4 of Uttar Pradesh Entertainment and Betting Tax Rule 1981 for existing sub-rule (2) set out in column I below the sub-rule as set out in Column II shall be substituted, namely :-

COLUMN I Existing sub-rule	COLUMN II Sub-rule as hereby subsituted
(2) Tickets for different show to be held on the same day and tickets for different classes in the same show shall be in different colours and each kind of ticket shall bear separate serial numbers starting from number 1 and ending at 1,00,000. Each ticket book shall contain 500 tickets but the defence personnel, child, concession and complementary ticket books may contain only 200 tickets.	(2) Tickets for different shows to be held on the same day and tickets for different classes in the same show shall be in different colours and each kind of ticket shall bear separate serial numbers starting from number 1 and ending at 1,00,000. Each ticket book shall contain 500 tickets but the defence personnel, child, concession and complementary ticket books may contain only 200 tickets. Provided that where the sale of tickets is computrised the Commissioner may determine such defferent process of sale of tickets and Form of tickets as he deems fit.

[Notification N0. 1031/11-KN.6-2005 15 June 2005]

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CHAPTER - 3
FEES FOR CINEMATOGRAPH EXHIBITON AND MISCELLANEOUS PROVISIONS

Provisions of Act and Rules

3.1 In exercise of power conferred in Section 9 of the Cinematograph Act, 1918, the State Government has framed Rules known as "The U.P. Cinematograph Rules, 1951" and "Cinematograph (Certifcation) Rules, 1983" for regulation of exhibition by means of cinematograph in the State of Uttar Pradesh. The U.P. Cinema (Regulation) Act, 1955 and U.P. Entertainment and Betting Tax Act, 1979, were enacted by the State Government for the same purpose.

Cinematograph

3.2 "Cinematograph" as defined in the Act includes any apparatus for the representation of moving pictures or series of pictures.

[Section 2 (a) of U.P.C. (R) Act, 1955]

Exhibition in a licensed place only

3.3 No person can give an exhibition by means of a Cinematograph elsewhere than in a place licensed by the District Magistrate or otherwise than in compliance and restriction imposed by such license and on payment of the prescribed license fee.

[Section 3, 4 & 5 (2) of U.P.C. (R) Act, 1955]

3.4 The licenses are granted both for permanent or temporary cinema exhibition.

Permanent License

3.5 License to permanent cinema : A person desirous of constructing a permanent building to be used for cinematograph exhibition shall submit to the District Magistrate an application specfying the site at which the proposed building is to be constructed together with a plan for the elevation and sections of the building, the proposed electrical installations, arrangement for ventilation, sanitation etc. The District Magistrate who is the licensing authority, if satisfied, shall permit its construction.

[Rule 3 of U.P.C. Rules, 1951]

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Application for permanent license

3.6 The application for a permanent license shall be made to the Licensing Auhtority and shall contain full particulars of the ownership of the premises and the cinematograph machine and shall be accompanied with the certifcates of fitness from the Electical Inspector to Government, Medical Officer of Health having jurisdiction and Regional Fire Officer. The procedure in respect of filing of certificates may be temporarily dispensed with by the Licensing Authority in certain circumstances.

The Licensing Authrity on being satisfied with the fulfillment of the requirements of the rules in this regard shall grant the License.

[Rule 4 & 6 of U.P.C. Rules, 1951]

Permanent license for one year only but renewable

3.7 The license for permanent cinematograph exhibition may be granted for a period not exceeding one year, which may be renewed on its expiry for a similar period of not more than one year at a time.

[Rule 9 of U.P.C. & Rules, 1951]

Fees

3.8 **Feee for cinematograph license :** The fee payable by the licensee for the grant or renewal of permanent license shall be credited to the revenue of the State Government and shall be levied at the following rates, which are applicable with effect from October 1997.

(a) Having population up to one lakh	Rs. 1,000/- per month or part thereof
(b) Having population more than one lakh	Rs. 1,500/- per month or part thereof

[Notification No. 1781/11Ka San. Vi 97-30 E.B-8 (20)/86 dated 21-10-1997] &
[U.P. Cinematograph (23rd amendment) Rules, 1997]

Renewal of license and fee

3.9 An application for renewal of a license shall be submitted one month before the date of expiry of the license, failing which a penalty of Rs. 100 shall be leviable in addition to the renewal fee. The period of validity of licences which is for an year shall expire on 31st March of each year.

[Rule 40 of U.P.C. Rule 1951]

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3.10 Licence to travelling cinema : A person of obtaining a licence for a travelling cinema, is required to apply to the District Magistrate with in whose jurisdiction the exhibition is proposed to be given and shall attach to his application a plan and description of the building including certificates from Electical Inspector to Government, Medical Officer of Health and Regional Fire Officer as in respect of permanent cinemas. The licence may be granted for a period not exceeding 6 month for cinematograph exhibition. Such licences are valid within the teritorial jurisdicton of the Licensing Authority / District Magistrate. No travelling cinema can exhibit films in any local area for a period exceeding 6 months at a stretch.

[Rule 28 U.P.C. Rules, 1951]

Fees for renewal of temporary licence

3.11 Fees for licence : The fee payable by the licensee for the grant or renewal of a temporary licence for a travelling cinema shall be credied to the revenue of the State Government and is levied at the following rates :

(a) For a period not exceeding one month	Rs. 150 /-
(b) Exceeding one month but not exceeding three months	Rs. 450 /-
(c) Exceeding three months but not exceeding six months	Rs. 900/-

[Rule 39 (ii) of U.P. Cinematograph Rules, 1951]

Renewal application one month before expiry

3.12 Application for renewal of licence should be made one month before the date of expiry of the licence, failing which a penalty of Rs. 100 shall be levied in addition to the renewal fee.

Provisions for special exhibition

3.13 Provisions for special cinematograph exhinition : No cinematograph exhibition can be made in any premises, like institutions clubs or other places, where such exhibition is not a regular feature unless notice has been given ten days before the exhibition is due, to the Licensing Authority by the licensee of such premises. The Licensing Authority is empowered, for reasons to be recorded, to dispense with the requirements of any of the provisions of the Rules by specification in the licence.

[Rule 35 & 36 of U.P.C. Rules, 1951]

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Operators' Permit Fee

3.14 Operators' Permit Fee : At least two operators and one additional operator for every additional cinematograph machine shall be on duty, who will be Incharge of the films and machines. The operators shall be the holder of the permit granted by the Licensing Authority / District Magistrate in the form set out in Appendix II of the U.P. Cinematograph Rules, 1951. A fee of Rs. 20 is chargeable for each such permit, which is valid for a period of three years from the date of issue. No fee is however, chargeable in respect of permits issued to operaters in Goverment employment. When the original permit issued by the Licensing Authority is lost by any of the operators and he applies for issue of a duplicate permit, a fee of Rs. 20 may be realised from the applicant as in the case of grant of original permit.

[Rule 26 (i) & 26 (ii) of U.P.C. Rules, 1951]
[Section 6 (1) of U.P.C. (R) Act, 1955]

Suspension of Exhibition

3.15 Power to suspend the exhibition of films : The State Government, in respect of the whole of the State of Uttar Pradesh or any part thereof and the District Magistrate in respect of the District within his jurisdiction may suspend the exhibition of any film which, in its / his opinion. may cause a breach of peace.

Appeal

3.16 Appeals : A licensee aggrieved by an order passed by the Licensing Authority may appeal to the State Government within a period of thirty days from the date of service of such order.

[Rule 43 (ii) of U.P.C. (R), 1955]

Service of order

3.17 The order shall be deemed to be duly served if it is tendered to the licensee or, where in the opinion of the Licensing Authority personal service cannot be effected, if a copy of the order is affixed at a prominent place on the premises owned or controlled by the licensee.

[Rule 43 (iii) of U.P.C. Rules, 1951]

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Amendment of rule 14

3.18 In the Uttar Pradesh Cinematograph Rules, 1951, in rule - 14, for sub-rule (ii) set outin column I below, the sub-rule as set out in column II shall be substituted, namely :-

Column I Existing sub-rule	Column II Sub-rule as hereby substituted
(ii) Except ground floor and first floor, no other floor for seating shall be permitted in permanent cinema buildings.	(ii) The Licensing authority may grant permission for seating in any permanent cinema building including Multiplex on any floor, if he is satified that such permanent cinema on Multiplex building has been constructed on the permission of the Competent Authority, and the fire safety measures, entry-exit passages and emergency passage to viewers, electrical safety measures, adequate distance from sensitive places as laid down by Government from time to time, have been taken therein. Explanation for the purpose of this sub-rule- 1. "Competent Authority" means an authority empowered to sanction building construction plans under any law for the time being in force. 2. "Multiplex" means a group or conglomeration of two or more than two cinema halls with in the same premises with commercial, cultural and other entertainment related facilities.

[Notificatin No. KA .NI -6-1723/XI-2005-XX-M(36)/2005, amendment of Rule 14of U. P. C. 1951]

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CHAPTER - 4

RECORDS, RETURN AND AUDIT CHECKS ON ENTERTAINMENT TAX

Records and Returns

4.1 In order to have an idea of the records and register maintained by the Entertainment Tax Officer and return submitted to him by the exhibitors of the entertainment that have a bearing upon assessment and collection of tax, it is proposed in this chapter to refer in brief to these.

1. Returns of shows (Form - B) filed by the assessee (exhibitors of the entertainment).
2. Show tax return : Fortnightly returns submitted by the assesses.
3. Challans through which amount of entertainment tax and surcharge is deposited.
4. Appendix I and II - Tax Deposit Registers.
5. Register of security deposit and security pass books.
6. Register of tickets sealed by the department.
7. Register of cinematograph show tax.
8. Register of advance or excess collection of taxes.
9. Register of allocation of revenue collected to local bodies.
10. Register of refunds.
11. Cases of refunds.
12. Register of prosecution and appeals.
13. Register of entertainment statistics.
14. Register of exemption granted under section 35 (1) of the U.P.E. and B.T. Act, 1979 and cases.

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15. Statement of loss revenue to Government due to grant of exemption from payment of entertainment tax under section 35 (3) of U.P.E. and B.T. Act, 1979.

16. Case file of theatres.

17. Cash book of receipts collected directly by the taxation authority.

18 Register of cinema house.

19. Register of cinematograph machine operators and fees realished from them.

20. Statement of income and its reconciliation with the figures of the treasury (Appendix- III).

21. Register or diary of inspection carried out by the Inspector, Entertainment Tax.

22. Register of irregularities detected in cinema by the Inspector Entertainment Tax.

23. Register of embezzlements.

24. Challan register.

25. Register of penalties and fines.

26. Register of licences.

27. Register of fees for issue of licences.

Audit checks

4.2 Audit Scrutiny : The audit of entertainment tax receipts mainly consists in seeing the following :

(i) Whether there is a effective system to ensure that all the returns due from the proprietors have been received in time and the correctness of the returns and the taxes payable on the basis of the returns have been checked in all cases ?

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(ii) Whether action has been taken by the Department for non- filing / delay in filing of return ?

(iii) Check of the returns filed by the proprietor / exhibitor of an etertainment to see whether the tax in respect the tickets shown therein as sold has correctly been charged and paid ?

(iv) Whether the amount of entertainment tax and surcharge payable by the proprietor of an entertainment have been remitted promptly into the treasury ?

(v) Whether in the returns filed by the proprietors there is any break in the serial number of the tickets sold ? The break therein may suggest evasion of tax in respect of the tickets the numbers of which are missing.

(vi) Whether the licence fee for cinemas has been correctly charged ? If the renewal of the licence was not applied for in time, whether the penalty therefor has been realised ?

(vii) Whether the cinematograph machine operator's permit fee has been correctly charged ?

(viii) Cases of irregular renewal of cinema licenses.

(ix) Scrutiny of register of advance tax or excess tax to see whether the balance is still lying for refund or adjusment.

(x) Review of records like treasury challans etc. to see that they have been maintained properly.

(xi) Whether there is an effective system of reconciliation of receipt of taxes with the records of treasury ?

(xii) Whether the tax remitted into the treasury as per records of the Entertainment Tax Officer and that of the treasury, has been periodically verified and the differences, if any, reconciled promptly ?

(xiii) Whether the security furnished by the proprietor is sufficient and the record there of is maintained correctly ?

(xiv) Whether the orders of the exemptions, refund and remission conform to the rules on the subject ?

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(xv) Whether the exhibitors of an entertainment who were found guilty of contravention of the rules have been prosecuted and their names are on record ?

(xvi) Whether the arrears of tax was recovered from the security furnished by the proprietor ?

(xvii) Whether guidelines, if any, issued by the Department to check eva sion of taxes have been duly observed by the Inspectors / Assessing Authorties ?

(xviii) Whether receipts of a cinema / theatre is prima-facie too meagre for its economic working, taking into account the taxes payable and other incidental expenditure ? Such cases may be referred to show that a scrutiny of the Income Tax returns of the proprietor may be arranged if necessary.

(xix) The data collected by the Income Tax Wing in the course of search, seizure etc. may also be suitably utilised by the Entertainment Tax Wing and vice-versa.

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CHAPTER - 5
TAXES ON CERTAIN FORMS OF BETTING

Basis for Betting & Staking Taxes

5.1 The taxes on betting, staking on horse or pony race is levied and collected under the U.P. Entertainment and Betting Tax Act, 1979 and the rules framed thereunder, called, the U.P. Totalizator and Betting Tax Rules, 1981.

Machinery for entertainment tax resposible

5.2 The administrative machinery set up for the entertainment for the Entertainment Tax also administers the levy and collection of this tax.

Categories of tax

5.3 There are two categories of the aforesaid tax, viz. the Totalizator Tax and the Betting Tax.

Difference between Totalizator and Betting Tax

5.4 The difference between these taxes lies in the system of betting and distribution of returns to the winners. In the case of Totalizator Tax, the entire amount of the bets collected at the Totalizator in each race in totalled up and distributed among the wining persons after making provisions for the taxes and sundry expenses. In the case of betting Tax, bets are laid with the licensee bookmakers who make the payment to the winning persons at the agreed rate of bet.

Levy and payment of Totalizator Tax

5.5 Taxes of Totalizator : A Totalizator tax is discharged, levied paid to Government out of all moneys paid into any Totalizator by way of stakes or bets at the prescribed rate not exceeding 10 percent, of every sum so paid.

[Section 11(1) of U.P.E. & B.T. Act, 1979]

Totalizator defined

5.6 The Totalizator means a Totalizator in any enclosure where the steward controlling a race meeting, has set apart for enabling any number of persons to, make bets with one another on the like principles. It includes any instrument, machine or contrivance known as Totalizator or any other instruments, machine or contrivance

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of a like nature or any other scheme.

[Section 16 of U.P.E. & B.T. Act, 1979]

Rate of Totalizator Tax

5.7 Rate of Tax : At present the rate of Totalizator tax is ten percent of all moneys paid into any Totalizator by way stakes or bets.

[Rule 41 of U.P. Totalizator & Beeting Tax Rules, 1981]

Tax collected by stewards on behalf of Government

5.8 The Totalizator tax is received by the stewards of the race meeting on behalf the Government from the persons laying bets or stakes.

[Section 16 (4) of U.P.E. & B.T. Act, 1979]

Submisson of monthly returns

5.9 Returns of Accounts : The steward of a race meeting or an officer appointed by them in this behalf has to forward certified monthly returns to the District Officer of the district where the race meeting is held in the form prescribed in schedule 'A' to the U.P. Totalizator and Betting Rules, 1981, where the total amount of moneys received by the Totalizator by way of stakes or bets, inclusive of the Totalizator Tax, the prescribed rate and the total amount of the Totalizator tax collected are shown.

[Rule 45 of U.P.T. & B.T. Rules, 1981]

Keeping of Accounts

5.10 The steward of a race meeting is resposible to keep accounts in the prescribed form of all money paid into the Totalizator at that meeting.

[Section 16 (4) of U.P.E. & B.T. Act, 1979]

Inspection

5.11 The District Officer / District Magistrate is empowered to inspect and take the copies of the accounts maintained by the stewards of a race meeting.

[Section 23 of U.P.E. & B.T. Act, 1979]
[Rule 7 of U.P.T. & B.T. Rules, 1981]

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Arrears recoverable as arrears of land revenue

5.12 The arrears of Totalizator tax can be recovered as an arrear of land revenue from the racing club conducting the meeting or the steward of the race meeting jointly or severally.

[Section 34 of U.P.E. & B.T. Act, 1979]

Levy and payment of Betting Tax

5.13 Betting Tax : The Betting Tax is a tax on backers which is charged, levied and paid to Government on a moneys paid or agreed to be paid as a bet to licensed bookmaker by a backer, in a enclosure set apart, on any race at precribed percentage not exceeding ten percent.

[Section 18 (1) of U.P.E. & B.T. Act, 1979]
[Rule 48 of U.P.E. & B.T. Rules 1981]

5.14 The backers and bookmakers referred to above have the meaning given below :

Backer

(a) 'Bakcer' includes any person with whom a licensed bookmaker bets.

Bookmaker

(b) 'Bookmaker' means any person who, whether on his own account or as servant or agent to any other person, carries on the business of receiving or negotiating bets or conducts such operations, and includes a 'turf commission agent'. A person shall not be deemed to be a bookmaker by reason only of the fact that Totalizator shall be deemed not to be bookmaking. A 'licensed bookmaker' means a bookmaker who is granted a license or permit wih the prior approval of the District Magistrate by any 'racing club' or by stewards thereof.

[Section 2 (e) & 21 of U.P.E. & B.T. Act, 1979]

Racing Club

5.15 Racing Club as defined in Act includes a club, association, society or body of persons corporate or incorporate :

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(a) formed for the purpose of promoting horse-racing or pony-racing or for holding race meeting, or

(b) for conducting or controlling such meeting.

[Section 2 (n) of U.P.E. & B.T. Act, 1979]

Submission of Returns

5.16 Returns showing the names of licensed bookmakers : A certified return of licensed bookmakers in the form prescribed in schedule 'B' appended to U.P. Totalizator and Betting Tax Rules, 1981 is forwarded by the stewards for the race meeting or an officer appointed by them in this behalf, before the commencement of each racing seasons, to the District Officer / District Magistrate. The return shall be amended from time to time, as may be neccessary.

[Section 18 (1) of U.P.E. & B.T. Act, 1979]
[Rule 44 of U.P.E. & B.T. Rules, 1981]

Collection of Betting Tax by bookmakers

5.17 Collection and payment : The Betting Tax is collected by the licensed book makers with the money laid by the backer with the licensed bookmaker at the time when that bet is laid. In case of credit bets, it is to be collected at such time as may be agreed to be paid.

[Section 18 (2) of U.P.E. & B.T. Act, 1979]
[Rule 43 of U.P.E. & B.T. Rules, 1981]

Responsbilty of bookmaker for payment

5.18 The licensed bookmaker are responsible for the payment of betting tax to the race club or steward as the case may be and shall also submit certified weekly returns in the form in schedule 'C' appended to the U.P. Totalizator and Betting Tax Rules, 1981, setting out / giving the total sum paid or agreed to be paid as bets by backers on each race and the betting tax due thereon. On receipt of the betting tax from the licensed bookmaker, the race club stewards pays it into the Government Treasury. They shall also submit a monthly statement in the form prescribed in schedule 'D' to the U.P. Totalizator and Betting Tax Rules 1981, setting forth for each race meeting the total sum paid to the licensed bookmakers as bets and the total amount of the betting tax payable thereon.

[Rule 53 of U.P.E. & B.T. Rules, 1981]
[Section 19 of U.P.E. & B.T. Act, 1979]

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Arrears recoverable as arrears of land revenue

5.19 The tax or portion of such tax can be recovered as an arear of land revenue from the book maker retaining the tax.

[Section 17 (2) of U.P.E. & B.T. Act, 1937]

Inspection

5.20 The District Officer / District Magistrate have been empowered to authorise in writing any officer subordinate to them to enter the race course, the Totalizator premises and the enclosure set apart for making bets during the meetings with a view to seeing whether the privisions of the Act and Rules made by the Government are being complied with. The officer so authorised may inspect the accounts record and take copies thereof.

[Section 23 U.P.E. & B.T. Act, 1979 and Rules 57 of U.P.T.B.T. Rules, 1981]

Rates of Tax

5.21 Rate of Tax : The prevailing rate of tax is ten percent of all moneys paid / laid by the backer with the licensed bookmaker.

[Rule 48 of U.P.T.B.T. Rules, 1981]

Revocation and suspension of licence

5.22 Revocation and suspension of licence of Bookmaker : The District Magistrate is empowered to revoke or suspend the licence of any bookmaker granted by any racing club or by steward, if he (licensee) is found guilty of contravention of any of the provisions of U.P. Entertainment & Betting Tax Act, 1979 and Rules made thereunder.

[Section 21 of U.P.E.B.T. Act, 1979]

Restrictions

5.23 Restriction on betting and penalties : No person can bet on the result of any race held or conducted by a racing club except with the licensed bookmaker and in an enclosure set apart for the purpose of that club.

[Section 20 of U.P.E. & B.T. Act, 1979]

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Penalty

5.24 Any person who bets in contravention of the above provisions, is punishable with fine not exceeding Rs. 5000 /-

[Section 24 of U.P.E. & B.T. Act, 1979]

5.25 No person other than a licensed bookmaker, can offer or receive bets on the result of any held or conducted by a racing club and no such bet can be offered or received except in an enclosure set apart for the purpose of that club.

[Section 20 (1) U.P.E. & B.T. Act, 1979]

5.26 Any person who offers or receives bets in contravention of the above provision, is punishable with a fine not exceeding Rs. 5000 /-

[Section 28 (1) of U.P.E. & B.T. Act, 1979]

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CHAPTER - 6
RECORDS, RETURNS AND AUDIT CHECKS PERTAINING TO TOTALIZATOR AND BETTING TAX

Records & Return

6.1 In the foregoing chapter provision of the Act and Rules that have a bearing upon assessment and collections on Totalizator / betting tax have been mentioned. The records that are maintained in the office of the Collector, Betting Tax and which require audit scrutiny, are as under :

1. Revenue receipt register.

2. Schedule A : A Statement regarding Totalizator Tax in respect of each race meeting showing the total amount received and tax due thereon, received from the stewards of the race meeting.

3. Schedule B : Statement showing the name of licensed bookmakers.

4. Schedule C : Weekly return of bookmarkers in respect of total sum paid or agreed to be paid as bets.

5. Schedule D : Monthly returns showing betting tax payable on the amount of bets and submitted by stewards.

6. Preosecution and appeal register and cases.

7. Treasury Challans.

8. Income and reconciliation statement.

9. Inspection report of higher authorities.

Audit checks

6.2 **Audit Scrutiny :** The Audit Scrutiny of Totalizator and Betting Tax records would aim at finding out :

1. Whether the stewards / race-clubs have submitted the returns in the form schedule A / B and the amount of Totalizator / betting tax due has correctly been worked out and remitted into the Treasury ?

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2. Whether the returns showing the names of the licensed bookmaker have been forwarded before race season by the stewards of the race meeting and are available on record ?

3. Whether the monthly returns (Schedule D) submitted by the stewards of the race meeting or racing club are accompanied by the weekly returns (Sechdule C) ?

4. Whether the amount of Totalizator and / or betting tax remitted into the Treasury have correctly been recorded ?

5. Whether the tax remitted into the Treasury as per records of the Betting Tax Officer and that of the Treasury have been verified and the differences, if any, reconciled promptly ?

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