

8th floor, Vikrikar Bhavan,
Mazgaon, Mumbai-400010.

TRADE CIRCULAR

To

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No.VAT/AMD-1009/1A/ADM-6(ADM-29)
Trade Cir. No. ~~32~~-T of 2009

Mumbai, Dt. 24/11/2009

- Sub** : Amendment to Profession Tax Act, 1975.
Ref. : 1. Maharashtra Act No. XVII of 2009 dated 27th June 2009.
2. Notification published in the Government Gazette, Extra ordinary Part-IV-B No. 121 dated 29th June 2009.

Gentlemen/Sir/Madam,

To give effect to the Budget proposals, a Bill (Legislative Assembly Bill No. XIV of 2009) to amend the Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975 was introduced in the Legislature. The said Bill has been passed by both the houses of the Legislature. The Act is now published in the Maharashtra Government Gazette dated 27th June 2009.

The salient features of the amendments related to the Professions Tax Act, 1975 are briefly explained below:

2. Date on which the Act shall come into force:- The clause (a) of sub-section 2 of the said Act provides that the provisions of section 4 shall come into force on such date as the State Government may appoint in the official Gazette. This section 4 deals with the amendments to the Profession Tax Act. The required notification cited at reference-2 is published in the Official Gazette dated 29th June 2009. In view of this the provisions of section 4 shall come into force with effect from 1st July 2009.

3. The Schedule appended to the Profession Tax Act, 1975 provides for the tax on Profession, Trades, Callings and Employments. Entry 1 of the said Schedule covers the Salary and Wage earners. Earlier the threshold limit for levy of the tax under the said entry was Rs. 2501/- this limit is now increased to Rs. 5001/-. Therefore, the persons having monthly salaries or wages not exceeding Rs. 5000/- are exempted from payment of the Profession tax.

- 1.** The entry 1 of the said schedule is substituted. The amended Profession Tax structure is as under:-

Table-1

Sr. No.	Salary and Wages earners- Such persons whose monthly salary or wages:-	Rate of Tax
1.	a. do not exceed Rs. 5000/-	NIL
	b. exceeds Rs. 5000/- but do not exceed Rs. 10000/-	175

	c. exceeds Rs. 10000/-	Rs. 2500/- per annum. (a) rupees two hundred per month except for the month of February; (b) rupees three hundred for the month of February;
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2. The new rates of the Profession Tax shall come into force with effect from the 1st July 2009. In view of this employers are requested to deduct the Profession Tax as per revised rates given in the aforesaid table. The revised deduction shall be applicable for salary or wages for the month starting on or after 1st July 2009
4. This circular cannot be made use of for legal interpretation of provisions of law as it is clarificatory in nature. If any member of the trade has any doubt, he may refer the matter to this office for further clarification.
5. You are requested to bring the contents of this circular to the notice of the members of your association.

Yours faithfully,



(SANJAY BHATIA)

Commissioner of Professions Tax,
Maharashtra State, Mumbai.

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1. Copy forwarded To :
- All the Addl. Commissioners of Sales Tax in the State.
 - All the Joint Commissioners of Sales Tax / Professions Tax in the State.
 - The Joint Commissioner of Sales Tax (Mahavikas) with the request to upload this Trade Circular on the Departments web-site.
 - All the Sr. Dy. Commissioners of Sales Tax/ Professions Tax in the State.
 - All the Dy. Commissioners of Sales Tax in the State.
 - All the Asstt. Commissioners of Sales Tax in the State.
 - All the Sales Tax Officers/ Professions Tax Officers in the State.
2. Copy forwarded with compliments for information to:
- The Officer on Special Duty, Finance Department, Mantralaya, Mumbai.
 - The Under Secretary, Finance Department, Mantralaya, Mumbai.
 - The Accounts Officer, Sales Tax Revenue Audit, Mumbai and Nagpur.
3. Copy to all the Desks and Desk Officers in the office of the Commissioner of Sales Tax, Maharashtra State, Mumbai.



(Parag Mahajan)
Deputy Commissioner of Professions Tax,
Maharashtra State, Mumbai.