

Finance Act 1994

Chapter 7 - Inland Air Travel Tax

In the Finance Act, 1989, with effect from such date as the Central Government may, by notification in the Official Gazette, appoint, -

(a) after section 43, the following section shall be inserted, namely :-

"43A. Interest for default in payment of inland air travel tax. - (1) Where any carrier or other person fails to pay the inland air travel tax to the credit of the Central Government under sub-section (2) of section 42, in accordance with the rules made under this Chapter, he shall pay an interest on the amount of tax not so paid for the entire period for which payment of such tax has been delayed, at such rate, not below twenty per cent. and not exceeding thirty per cent. per annum, as the Central Government may, by notification in the Official Gazette, specify in this behalf.

(2) Where, on or before the date of commencement of section 98 of the Finance Act, 1994, the inland air travel tax had not been paid by any carrier or other person to the credit of the Central Government, in accordance with the rules made under this Chapter, the carrier or other person shall pay the amount of such tax within a period of thirty days of such commencement, failing which he shall be liable to pay the interest in accordance with the provisions of sub-section (1).";

(b) in section 46, for sub-section (3), the following sub-sections shall be substituted, namely :-

"(3) Every carrier or other person who fails to pay the inland air travel tax to the credit of the Central Government under sub-section (2) of section 42 shall, in addition to the payment of such tax and the interest leviable thereon, be liable to pay penalty which shall not be less than one-fifth but which may extend to three times of the amount of the tax not so paid to the credit of the Central Government.

(4) Any rule made under this Chapter may provide that in case of breach thereof by the carrier or other person, he shall be liable to a penalty which shall not be less than five hundred rupees but which may extend to fifty thousand rupees, and where the breach is a continuing one, with further penalty which may extend to five hundred rupees for every day after the first during which such breach continues.

(5) Any penalty under this section may be adjudged, collected and paid to the credit of the Central Government by such authority and in such manner as may be specified in the rules made under this Chapter :

Provided that no order for imposing a penalty shall be passed by such authority unless the carrier or other person on whom the penalty is proposed to be imposed is given an opportunity of being heard in the matter by such authority.";

(c) after section 46, the following section shall be inserted, namely :-

"46A. Modes of recovery. - (1) Where the inland air travel tax or interest or penalty is not paid by a carrier or other person, as required under the provisions of sub-section (2) of section 42, section 43A or section 46, the authority specified in the rules (hereinafter referred to as the authority) may, after the tax, interest or penalty has been determined under the rules, proceed to recover the amount of such tax, interest or penalty by one or more of the modes specified in sub-section (2), sub-section (3) or sub-section (4).

(2) The authority may require any person, from whom any amount is due to the carrier or other person, to deduct the tax, interest or penalty so determined from the said amount and

such person shall comply with any requisition by the authority and shall pay the amount so deducted to the credit of the Central Government :

Provided that nothing in this sub-section shall apply to any part of the amount exempt from attachment in execution of a decree of a civil court under section 60 of the Code of Civil Procedure, 1908 (5 of 1908).

(3) The authority may prepare a certificate signed by it specifying the amount due and send it to the Collector of the district in which the carrier or other person owns property or resides or carries on business and the said Collector, on receipt of such certificate, shall proceed to recover from the said carrier or other person, the amount specified thereunder as if it were an arrear of land revenue.

(4) The authority may distrain or arrest any aircraft and any other property belonging to, or under the control of, the carrier or other person, as the case may be, and detain the same until the tax, interest or penalty so determined is paid; and in case any part of the tax, interest or penalty or of the cost of the distress or arrest or of the keeping of the aircraft or other property distrained or arrested, remains unpaid for the space of thirty days next after any such distress or arrest, may cause the said aircraft or other property to be sold and with the proceeds of such sale may satisfy the tax, interest or penalty and the costs including the cost of sale remaining unpaid, and shall render the surplus, if any, to the carrier or other person."