

Expenditure-tax Act, 1987

Section 15 - Penalty for Failure to Collect or Pay Expenditure-tax

1[Penalty for failure to collect or pay expenditure-tax

Any person responsible for collecting expenditure-tax in accordance with the provisions of sub-section (1) or sub-section (2) of section 7, who-

(a) fails to collect such tax; or

(b) having collected the tax, fails to pay such tax to the credit of the Central Government in accordance with the provisions of sub-section (3) of that section,

shall pay,-

(i) in the case referred to in clause (a), in addition to paying tax in accordance with the provisions of sub-section (4) of that section, by way of penalty, a sum equal to the amount of tax that he failed to collect; and

(ii) in the case referred to in clause (b), in addition to paying interest in accordance with the provisions of section 14, by way of penalty, a sum which shall not be less than one hundred rupees, but which may extend to two hundred rupees for every day during which the failure continues, so, however, that the penalty under this clause shall not exceed the amount of tax that he failed to pay.]

1. Substituted by the Finance (No. 2) Act, 1991, w.e.f. 1-10-1991. Prior to substitution, section 15 read as under:

"15. Penalty for failure to collect or pay expenditure-tax. - Any person responsible for collecting expenditure-tax in accordance with the provisions of sub-section (1) of section 7, who-

(a) fails to collect the tax; or

(b) having collected the tax, fails to pay such tax to the credit of Central Government in accordance with the provisions of sub-section (2) of that section, shall pay,-

(i) in the case referred to in clause (a), in addition to paying tax in accordance with the provisions of sub-section (3) of that section, by way of penalty, a sum equal to the amount of tax that failed to collect; and

(ii) in the case referred to in clause (b), in addition to paying interest in accordance with the provisions of section 14, by the way of penalty, a sum which shall not be less than one hundred rupees, but which may extend to two hundred rupees for every day during which the failure continues."
