



# Telangana Entertainments Tax Act 1939

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# Introduction

- Entry 62 of List II of Seventh Schedule to the Constitution empowers the states to levy taxes on
  - Luxuries
  - Entertainments
  - Amusements
  - Betting and Gambling
- Andhra Pradesh Entertainments Tax Act, 1939 was adopted to Telangana State as Telangana Entertainments Tax Act, 1939 with effect from 02-06-2014.

# Object of the Act

- The object of the Act is to levy the tax on amusements and other entertainments and to provide for compensation to local authorities.
- Local Authority means:
  - Any Municipal corporation
  - Secunderabad Cantonment Area.
  - Any Municipality.
  - Any Gram Panchayat.

# Features of the Act

- The Entertainment tax shall be levied on
  - On Cinema Hall Tickets.
  - On Cable Connections.
  - Other Amusements and Re-creations .
- The Act provides for Tax levy/ Collection / Issue of permits and Licences/Returns/Assessments/Penalties / Revisions/Appeals for administration & enforcement of the said Act.
- The Act Comprises of 32 Sections and 59 Rules.
- The Officer is called Entertainments Tax Officer.

# Levy of Tax on Cinema Halls (on Sale of Tickets)

- Entertainment Tax shall be levied on the amount collected on actual sale of tickets for admission to every show in respect of Cinema halls under the jurisdiction of

Local Authority	Theatre	Rate of tax on sale of tickets
a) Municipal Corporation	i) A/C and Air Cooled Theatres	20%
	(ii) Other Theatres	18%
(b) Selection Grade Municipality	(i) A/C and Air Cooled Theatres	20%
	(ii) Other Theatres	18%
(c) Special Grade Municipality	(i) A/C and Air Cooled Theatres	20%
	(ii) Other Theatres	18%

# Levy of Tax on Cinema Halls (Slab System)

- In respect of Cinema Halls situated in other local areas, levy of tax is on the basis of slab system based on the gross collection capacity as under:-

<b>Local Authority</b>	<b>Theatre</b>	<b>Rate of tax on sale of tickets</b>
a) First Grades Municipality	All categories of theatres	10% of the gross collection Capacity per show multiplied by 21.
(b) Second Grade Municipality	All categories of theatres	9% of the gross collection capacity per show multiplied 21.
(c) Third Grade Municipality	All categories of theatres	8% of the gross collection capacity per show multiplied by 21.

# Levy of Tax on Cinema Halls (Slab System)

<b>Local Authority</b>	<b>Theatre</b>	<b>Rate of tax on sale of tickets</b>
d) Gram Panchayats, Townships and any other local authorities;		
(1) With a population of 15,000 and above	(i) Permanent and semi-permanent	7% of the gross collection capacity per show multiplied by 14
	(ii) Touring and Temporary	7% of the gross collection capacity per show multiplied by 10
(2) With a population of 7,500 and above but below 15,000	(i) Permanent and semi-permanent	6% of the gross collection capacity per show multiplied by 14
	(ii) Touring and Temporary	6% of the gross collection capacity per show multiplied by 10

# Levy of Tax on Cinema Halls (Slab System)

<b>Local Authority</b>	<b>Theatre</b>	<b>Rate of tax on sale of tickets</b>
d) Gram Panchayats, Townships and any other local authorities		
3) With a population of less than 7,500	(i) Permanent and semi-permanent	5% of the gross collection capacity per show multiplied by 14.
	(ii) Touring and Temporary	5% of the gross collection capacity per show multiplied by 7.



# Tax on Entertainment Shows

- In addition to the entertainment tax, show tax should be payable by cinema hall proprietors as under:

<b>Local Authority</b>	<b>Rate of tax for every show</b>
Municipal Corporations, Secunderabad Contonment Area, Special Grade, Selection Grade and First Grade Municipalities	Twelve Rupees
Second Grade & Third Grade Municipalities	Eight Rupees
Gram Panchayats, Townships and Any other Local Authorities	
(i) With population of 15,000 above	Four Rupees
(ii) With a population of less than 15,000	Two Rupees

# Tax on Cable Operators

- Every Master Cable Operator shall pay Entertainment Tax every month for the number of connections provided to the subscribers at the following rates

SI No	Category	Local Area	Rate per Connection per month
1	A	Municipal Corporations & Sec'bad Cantonment Area	Rs.5/-
2	B	Selection Grade Municipalities	Rs.4/-
3	C	Grade I&II Municipalities	Rs.3/-
4	D	Other Municipalities	Rs.2/-
5	E	Major Gram Panchayats	Rs.200/- (irrespective of number of Connections)
6	F	Minor Gram Panchayats	Rs.100/- (--do--)



# Tax on Amusement and Recreation

- Tax shall be levied on payment for admission to or participation in amusement or recreation.
- Tax shall be levied @ 20%.
- The tax rate is same through out the state irrespective of any local area.
- The Tax so levied shall be paid by the proprietor of such amusement or recreation.



## Entertainments exempted from payment of Tax

- The State Govt may grant exemption from payment of Entertainment Tax to any entertainment (under Sec 8(1))
  - Example: The entertainment meant for the education and entertainment of the children.
- Any exemption granted may extend to whole of state or such area as may be specified in such order.



# Payment of Compensation to Local Authorities

- The entertainment tax collected should be apportioned to local authorities as under:
  - 3% to be credited to the State Government
  - 90% to the local authority.
  - 7% to be expended for the purpose of promoting cinematograph films and arts.



**THANK YOU**