

# **PROFESSION TAX IN TELAGNAGA**

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# Objectives

- Authority to levy Profession Tax
- Necessity to levy P T
- To know the main provisions of PT Act
  - Registration ( Employer)
  - Enrolment ( other than Employer)
  - TDS
- Different slab rates of P T
- Categories of professions
- Penal Provisions
- P T Act not subsumed in GST

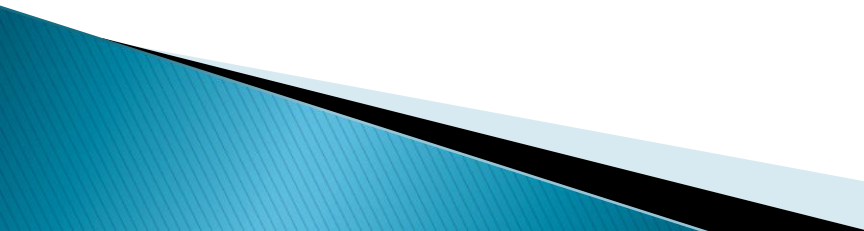
# **Authority to levy Prof. Tax**

- The Constitution of India – VII Schedule- List II ( State) - Entry 60 empowers the States to make law relating to levy of tax on
  - ▶ Professions-Trades-Callings-Employments
  - ▶ Andhra Pradesh Tax on Professions, Trades, Callings and Employment Act,1987 with effect from 15-06-1987, enacted
  - ▶ T S adopted the APPT Act wef 02-06-2014.

# **Necessity to levy PT**

- To strengthen the financial positions of local bodies(Municipal corporations-Municipalities-Gram Panchayats).
- Rationalisation of levy- Improve the tax Collection.
- Shall not exceed Rs: 2500/- as PT - Clause 2 of the Article 276 of the Constitution.

# Terminology

- Profession - Occupation by a Skilled Person  
( Advocates, Doctors, CAs, Architects etc)
  - Trades - Business ( Shops-Establishments ..)
  - Callings - Special Duty(Habitual Employment)  
Ex: Artist, Singer,
  - Employment - Being Employed (Pvt & Govt)
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# Features of the Act

- The Act Comprises of 37 Sections and 29 Rules
- P T is levied based on Certain Turnovers and Salary Slabs.( Schedule-I) ( 40 Entries).
- The Act Provides: Registration/Enrolment/Returns/Assessment/Levy/Collection/Appeals/Revision/Inspections/Penalties for offences for administration & enforcement of the said Act.
- Exempt categories under Entry 39 of Schedule I of the Act(Ex: Agriculturist, Gold Smith, Block Smith, Barber, Cobbler, etc.,).

# Registration U/PT

- ▶ Every Assessee i.e., Employer shall obtain Registration (pay tax under Sec 5) from the Registering authority.
- ▶ Within 30 days of becoming liability.
- ▶ Submit the application in Form-I.
- ▶ Obtains the Registration Certificate in Form-IA.
- ▶ Pay Tax Monthly.
- ▶ Penalty for delay in obtaining registration is not less than Rs.10/- and shall not exceed Rs.20/- for each day of delay.
- ▶ Registration Authority- PTO/DCTO

# Enrolment u/PT

- ▶ Every Assessee (Other than a person earning Salary / Wage) shall obtain Enrolment from the registering authority.
- ▶ Within 30 days of becoming liability.
- ▶ Submit the application in Form-II.
- ▶ Obtains the Enrolment Certificate in Form-IIA.
- ▶ Pay tax annually (Pay Tax Under Sec 6).
- ▶ Penalty for delay in obtaining enrolment shall not exceed Rs.5/- for each day of delay.
- ▶ Enrolment Authority: PTO/DCTO



# Levy and Charge of Tax

- ▶ Every person engaged in any Profession, Trade, Calling or employment in the State are liable to tax at the rates specified in the 1st Schedule. (Sec 4)
- ▶ It is the liability of employer to deduct the tax from the salary/wages of the employees and pay to the Department. (Sec 5)
- ▶ Turf clubs should collect tax from horse owners, trainees, book-makers and jockeys and remit to the Department. (Sec 5A)

# Levy and Charge of Tax

- ▶ Insurance Companies should deduct the tax from the Chief Agents/Principal Agents / Special Agents/Insurance Agents from the commission payable to them and remit to the Department. (Sec 5B)
- ▶ **Thus there are (3) types of TDS U/PT**
- ▶ Employer– employee .
- ▶ Turf club – horse owners, trainees, book-makers and jockeys
- ▶ Insurance companies – its agents

## Who needs to pay P T & How much

- Salary and Wage earners exceeding monthly Rs.15,000/-

<b>Up to 15000</b>	<b>15001 to 20000</b>	<b>above 20001</b>
NIL	150 PM	200PM

- Advocates, Engineers, CAs, Doctors, Consultants and such other professionals .

<b>Up to 5 Years</b>	<b>Above 5 years of standing in the profession</b>
NIL	2500 PA

- VAT dealers/contractors/factories /Bars/Hotels etc based on Turnover

<b>Up to 10 Lakhs</b>	<b>10 to 50 Lakhs</b>	<b>Above 50 Lakhs</b>
NIL	1250 PA	2500 PA

# Returns for Registered Assessee (Employers)

- Return is to be filed in Form – V.
- Return Period is Monthly.
- Due date of filing return is 10<sup>th</sup> day of the subsequent month.
- Contains the details of Salaries/Wages paid to employees and tax deducted.
- Return is to be filed along with payment of tax.
- Penalty for defaulting the return is not less than Rs.5/- and shall not exceed Rs.100/- for each day of delay.

# OVER VIEW

- ▶ Tax on Professionals, Employees, Traders etc
- ▶ Maximum levy 2500/- ( Slab: Nil, 1250 & 2500)
- ▶ For Employees Max 200 ( Slab: Nil, 150 & 200)
- ▶ Registration is for Employer to pay employee
- ▶ Employee PT to remit by Employer monthly
- ▶ Enrolment is for other than Employer
- ▶ Enrolled persons pays PT Yearly
- ▶ TDS for Employer- Turf Clubs & Insurance Agents
- ▶ Schedule I- Categories & Rate of PT

**THANK YOU**