

# Bill Summary

## The Punjab Municipal Corporation Law (Extension to Chandigarh) Amendment Bill, 2017

- The Punjab Municipal Corporation Law (Extension to Chandigarh) Amendment Bill, 2017 was introduced in Lok Sabha by the Minister of Finance, Mr. Arun Jaitley, on July 31, 2017. It replaces the Punjab Municipal Corporation Law (Extension to Chandigarh) Amendment Ordinance, 2017. It shall be deemed to have come into force on July 1, 2017, the date on which the Ordinance was promulgated.
  - The Bill amends the Punjab Municipal Corporation Law (Extension to Chandigarh) Act, 1994. The 1994 Act extends the provisions of the Punjab Municipal Corporation Act, 1976 to the Union Territory of Chandigarh.
  - **Power to levy Entertainment Tax and Duty:** Under the 1994 Act, the central government has the power to levy Entertainment Tax and Entertainment Duty for Chandigarh. The Bill transfers these powers from the central government to the Municipal Corporation of Chandigarh.
  - **Power to levy Octroi:** Currently, the Municipal Corporation of Chandigarh has the power to levy Octroi and taxes on vehicles and animals. The Bill removes these powers.
- This amendment is consequent to the Constitution (101<sup>st</sup> Amendment) Act, 2016 (GST) which subsumes Entertainment Tax within the ambit of GST, except where it is levied by a panchayat or a municipality.
- This amendment is also consequent to the Constitution (101<sup>st</sup> Amendment) Act, 2016 (GST) which subsumes Entry Tax, including Octroi, within the ambit of GST.

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