

Bill Summary

The Provisional Collection of Taxes Bill, 2023

- The Provisional Collection of Taxes Bill, 2023 was introduced in Lok Sabha on December 13, 2023. The Bill repeals the Provisional Collection of Taxes Act, 1931. The Act provides for the interim imposition or increase of customs or excise duty. The Bill retains all the provisions under the Act.
- **Interim collection of taxes:** The Act allows for the immediate imposition or increase in customs or excise duty through a declaration. This declaration may be included in the government bill seeking to impose or increase such duties introduced in Parliament. The imposition or increase will come into effect from the day after the date of introduction of the Bill. It will cease to have effect once: (i) the Bill is enacted, (ii) the central government directs so in pursuance of a motion passed by Parliament, or (iii) after the 75th day after the date of the introduction of the Bill. The Bill retains these provisions. It also clarifies that these provisions will be applicable regardless of whether the tariff classification has changed.
- **Refund of taxes and duties in certain cases:** The Act requires that refunds be issued in certain cases. Refunds must be issued if the declaration was enacted in an amended form, or it ceased to apply. Refunds will be made on the difference under the declaration and the enacted provision. If the declared provision is not enacted, duties and taxes collected will be refunded in entirety. The Bill retains these provisions.

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