

**BILLS INTRODUCED IN THE LEGISLATIVE ASSEMBLY
OF THE STATE OF TAMIL NADU**

Under Rule 130 of the Tamil Nadu Legislative Assembly Rules, the following Bill which was introduced in the Legislative Assembly of the Tamil Nadu on 10th December, 2024 is published together with Statement of Objects and Reasons for general information:—

L.A Bill No. 45 of 2024

A Bill to provide for the levy and collection of tax on mineral bearing land and the matters connected therewith or incidental thereto.

BE it enacted by the Legislative Assembly of the State of Tamil Nadu in the Seventy-fifth Year of the Republic of India as follows: —

Short title, extent and commencement.

1. (1) This Act may be called the Tamil Nadu Mineral Bearing Land Tax Act, 2024.

(2) It shall extend to the whole of the State of Tamil Nadu.

(3) It shall come into force on such date as the Government may, by notification, appoint.

Definitions.

2. In this Act, unless the context otherwise requires, —

(a) “appellate authority” means the appellate authority appointed under sub-section (1) of section 6;

(b) “despatch” means despatch of any mineral from the mineral bearing land by the holder;

(c) “Government” means the State Government;

(d) “holder” means the holder of composite licence or exploration licence or prospecting licence or mining lease or quarrying lease or any other mineral concession granted in respect of mineral bearing land;

(e) “mineral” means any mineral specified in the Schedule;

(f) “mineral bearing land” means any land which bears any mineral and in respect of which composite licence or exploration licence or prospecting licence or mining lease or quarrying lease or any other mineral concession, as the case may be, has been granted or deemed to have been granted under the Mines and Minerals (Development and Regulation) Act, 1957, the Oilfields (Regulation and Development) Act, 1948 or the rules made thereunder;

Central Act 67 of 1957.

Central Act 53 of 1948.

(g) “notified authority” means an authority notified under sub-section (1) of section 4;

(h) “prescribed” means prescribed by the rules made under this Act;

(i) “Schedule” means the Schedule to this Act;

(j) “tax” means the mineral bearing land tax leviable under section 3.

3. There shall be levied a tax called the mineral bearing land tax on the land bearing any mineral specified in the Schedule at such rates as specified therein.

Levy of tax on mineral bearing land.

4. (1) The tax shall be assessed, levied and collected in such manner as may be prescribed, by such authority not below the rank of Assistant Director of Geology and Mining of the district concerned, as may be notified by the Government in the *Tamil Nadu Government Gazette*.

Assessment, collection and payment of tax.

(2) The holder shall pay the tax specified in the Schedule in advance in such manner as may be prescribed and a receipt therefore shall be issued in such form as may be prescribed. The holder shall submit the receipt of payment of tax to the notified authority before despatch.

(3) The holder shall submit such returns in such form, for such period and in such manner as may be prescribed.

(4) The holder shall maintain such accounts, registers, records and other documents relating to the levy of tax in such form and in such manner as may be prescribed.

5. (1) If the holder despatches any mineral from the mineral bearing land without payment of tax or has paid less than the tax due, the notified authority shall issue a notice of demand, in such manner as may be prescribed, to the holder for payment of the tax due along with a penalty at the rate of five per cent on the amount of such tax.

Recovery of tax and penalty. h

Tamil Nadu
Act II of 1864.

(2) The amount of tax and the penalty imposed, if any, if not paid, shall be recovered as arrears of land revenue and the provisions of the Tamil Nadu Revenue Recovery Act, 1864 shall apply for such recovery.

6. (1) Any person aggrieved by an order passed by the notified authority, may prefer an appeal within thirty days from the date of receipt of such order before the appellate authority appointed by the Government, by notification:

Appeal.

Provided that the appellate authority may admit the appeal after the aforesaid period, if it is satisfied that the applicant had sufficient cause for not preferring the appeal within the said period:

Provided further that no appeal shall be entertained by the appellate authority unless it is accompanied with the proof of payment of thirty per cent of the tax due against which the appeal has been preferred.

(2) The appellate authority shall pass such orders as it may deem fit, after affording an opportunity of being heard to the appellant.

- Revision. 7. The Government or any other revisional authority, as may be appointed by the Government by notification, may, *suo-moto* at any time or on an application made by any person aggrieved by an order passed under section 6 within thirty days from the date of receipt of such order, call for and examine the records thereof to satisfy itself as to the correctness or propriety of the order made or decision taken thereon and in any case, it appears to the revisional authority that any such order should be modified, annulled or remitted back for reconsideration, the revisional authority may pass such order as it may deem fit, after affording an opportunity of being heard to the aggrieved person.
- Penalty. 8. Any person who violates any of the provisions of sub-sections (3) and (4) of section 4 and the rules made thereunder shall be imposed with a penalty by the notified authority, as may be prescribed, not exceeding five thousand rupees and where such violation is a continuing one, with further penalty not exceeding five hundred rupees, for every day during which such violation continues:
- Provided that the penalty so imposed under this section in respect of any violation shall not exceed fifty thousand rupees in the aggregate.
- Power to amend Schedule. 9. The Government may, by notification from time to time, amend the Schedule so as to add, omit any minerals or alter the rate of tax specified therein:
- Provided that the increase of the rate of tax under this section shall not, in aggregate, exceed fifty per cent of the rate of tax specified in the Schedule.
- Power to make rules. 10. (1) The Government may make rules for carrying out the purposes of this Act.
- (2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—
- (a) the manner of levy, assessment and collection of tax;
 - (b) the manner of payment of tax;
 - (c) the form, period, manner in which returns shall be submitted;
 - (d) the accounts, registers, records and other documents to be maintained by the holder and the manner in which they shall be maintained;
 - (e) the form of receipt for payment of the tax;
 - (f) the manner and form in which the demand notice to be issued under sub-section (1) of section 5;
 - (g) the quantum of penalty under section 8;
 - (h) any other matter which is required to be or may be prescribed.

(3) All rules and notifications made under this Act shall be published in the *Tamil Nadu Government Gazette*, and unless they are expressed to come into force on a particular day, shall come into force on the day on which they are so published.

(4) Every rule made, notification or order issued under this Act shall, as soon as possible, after it is made or issued, be placed on the table of the Legislative Assembly, and if, before the expiry of the session in which it is so placed or the next session, the Legislative Assembly makes any modification in any such rule, notification or order, or the Legislative Assembly decides that the rule, notification or order should not be made or issued, the rule, notification or order shall thereafter have effect only in such modified form or be of no effect, as the case may be, so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule, notification or order.

11. Nothing contained in this Act shall affect the liability of the holder for payment of any dues under any other law for the time being in force.

Liability of holder under other laws not to be affected.

12. No suit, prosecution or other proceedings shall lie against any officer or servant of the Government in respect of any thing done or purported to have been done or intended to be done by such officer or servant in good faith in pursuance of this Act or any rules made thereunder.

Protection of action taken in good faith.

13. If any difficulty arises in giving effect to this Act, the Government may, by an order published in the *Tamil Nadu Government Gazette*, make such provisions not inconsistent with the provisions of this Act, as appear to them to be necessary or expedient for removing the difficulty:

Power to remove difficulties.

Provided that no such order shall be made after the expiry of a period of two years from the date of commencement of this Act.

THE SCHEDULE**(See section 3)****RATE OF MINERAL BEARING LAND TAX****PART-A****LAND BEARING MAJOR MINERALS**

Sl. No. (1)	Name of the Mineral. (2)	Rate of Tax. (in Rupees) (3)	
		per metric tonne.	per cubic metre.
1.	Lignite	250	-
2.	Limestone	160	-
3.	Marl	160	-
4.	Magnesite	260	-
5.	Graphite	40	-
6.	Vermiculite	250	-
7.	Garnet	1250	-
8.	Ilmenite	950	-
9.	Rutile	5500	-
10.	Zircon	6600	-
11.	Monazite	250	-
12.	Sillimanite	7000	-
13.	Leucoxene	3500	-

PART-B**LAND BEARING MINOR MINERALS**

Sl. No. (1)	Name of the Mineral. (2)	Rate of Tax. (in Rupees) (3)	
		per metric tonne.	per cubic metre.
1.	Rough Stone	90	140
2.	Gravel/Earth	45	85
3.	Colour Granite	300	800
4.	Black Granite	420	1300
5.	Pebbles	150	390
6.	Sand	-	400
7.	Quartz	345	-
8.	Feldspar	200	-
9.	Fireclay	70	-
10.	Ball Clay	150	-
11.	Clay	40	-
12.	Kankar	160	-
13.	Silica Sand	240	-
14.	Quartzite	150	-
15.	Calcite	160	-
16.	Dunite	225	-
17.	Dolomite	165	-

PART-C**LAND BEARING MINERAL OILS**

Sl. No. (1)	Name of the Mineral. (2)	Rate of Tax. (in Rupees) (3)	
		per metric tonne.	per cubic metre.
1.	Crude Oil	8500	-
2.	Natural Gas	-	3.5

STATEMENT OF OBJECTS AND REASONS

Hon'ble supreme court in its judgement dated 25.07.2024 in civil Appeal Nos. 4056-4064 of 1999 in the matter of Mineral Area Development Authority and another vs. Steel Authority of India & another etc., has held that the minerals bearing land also falls within the description of "Lands" under Entry 49 of List II of the seventh schedule of the Constitution and that the State Legislatures have legislative competence under Article 246 read with Entry 49 of List II, to tax on lands which comprises of mines and quarries.

2. In the circumstances in order to augment the revenue to the State, the Government have decided to enact a legislation for the levy of tax on minerals bearing lands.

3. The Bill seeks to give effect to the above decision.

DURAIMURUGAN,
Minister for Water Resources.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clauses 1(3), 4, 5(1), 6(1), 7, 8, 9, 10 and 13 of the Bill authorise the Government to issue notifications or to make rules or order, as the case may be, to carry out the purposes specified therein.

2. The powers delegated are normal and not of an exceptional character.

DURAIMURUGAN*Minister for Water Resources*

Secretariat,
Chennai-600 009,
10th December 2024.

K. SRINIVASAN,
Principal Secretary.