

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2592

ANSWERED ON:17.03.2017

Professional Taxes

Owaisi Shri Asaduddin

Will the Minister of FINANCE be pleased to state:

- (a) whether under Constitution Municipal Bodies are empowered to levy professional taxes but the ceiling is fixed by Union Government and if so, the details thereof;
- (b) whether to give a free hand to States to generate their revenue propose to give powers to States to decide ceiling of professional taxes;
- (c) if so, the details thereof;
- (d) whether many States have demanded for such change in the Constitution and if so, the details thereof; and
- (e) the time by which a final decision is likely to be taken by amending the constitution to this effect in consultation with States?

Answer

THE MINISTER OF STATE FOR FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) As per the Article 276 of the Constitution of India, Legislature of a State can enact legislation relating to professional tax for the benefit of the State or a municipality, district board, local board or other local authority therein, subject to the upper ceiling fixed in the Constitution.

(b) to (e): No such proposal is under consideration.