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## **Constitution of India a 276 - Taxes on professions, trades, callings and employments**

(1) Notwithstanding anything in article 246, no law of the Legislature of a State relating to taxes for the benefit of the State or of a municipality, district board, local board or other local authority therein in respect of professions, trades, callings or employments shall be invalid on the ground that it relates to a tax on income.

(2) The total amount payable in respect of any one person to the State or to any one municipality, district board, local board or other local authority in the State by way of taxes on professions, trades, callings and employments shall not exceed two thousand and five hundred rupees per annum.

(3) The power of the Legislature of a State to make laws as aforesaid with respect to taxes on professions, trades, callings and employments shall not be construed as limiting in any way the power of Parliament to make laws with respect to taxes on income accruing from or arising out of professions, trades, callings and employments.

### NOTES

#### **Limitation of Rs.2,500**

This ceiling of Rs.2500, however, is not the total one ie the state as well as the local authority may levy the tax simultaneously, such that each one can impose tax of Rs.2500 on the same person.<sup>1</sup> But Singh<sup>2</sup> is of a different view. He avers that general restriction of taxing power contained in the Constitution

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<sup>1</sup> Kamta Prasad Aggarwal v Executive Officer, Ballabhgarh (1974) 4 SCC 440

<sup>2</sup> Singh 2010 p 815

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eg in Art 276, 285 and 286 even if not expressly stated in the relevant taxation Act have to be read in it as enunciated in *Bharat Kala Bhandar (P) Ltd v Municipal Committee* AIR 1966 SC 249. These restrictions cannot be given a go by either directly or indirectly. But it appears that this principle was not properly appreciated in a recent year case relating to Art 276 of the Constitution. It is submitted that in rejecting the challenge to the validity of explanation added in the definition of 'person' in Andhra Pradesh tax on Professions, Trades, Callings and Employments Act 1987 to the effect that 'every branch of a firm, company, corporation or other corporate body, any society, club or association shall be deemed to be a person', the Supreme Court in *Karnataka Bank Ltd v State of Andhra Pradesh* (2008) 2 SCC 254 did not consider the limitation of Art 276(2) in proper sense which mandated that the total amount payable by a person shall not exceed two thousand five hundred by not applying the definition of person in General Clause Act 1897 Sec 3(42).