

# THE UTTAR PRADESH ENTERTAINMENTS AND BETTING TAX RULES, 1981<sup>1</sup>

## CHAPTER I

### Preliminary

<sup>2</sup>**1. Short title, commencement and application.**—(1) These rules may be called the Uttar Pradesh Entertainments and Betting Tax Rules, 1981

(2) They shall come into force with effect from 16<sup>1</sup> August, 1981.

(3) They shall apply to all entertainments and betting other than entertainments through cable service.]

**2. Definitions.**—In these rules—

- (i) 'Act' means the Uttar Pradesh Entertainments and Betting Tax Act, 1979;
- (ii) 'authorised agent' means any person authorised in writing by a proprietor to appear on his behalf before any officer empowered under the Act for carrying out the purposes of the Act or before any court;
- (iii) 'Assessing officer' means the Commissioner as defined under the Act or the District Magistrate concerned ;
- (iii-a) 'Compounded payment' means the payment of entertainment Tax payable by a proprietor of a cinema in a permanent building in lieu of payment of entertainment tax under sub-section (1) of Section 3 of the Act.]
- (iv) 'entertainment tax officer' means an officer authorised as such by the District Magistrate or the Commissioner or the Government;
- (v) 'inspecting officer' means any officer authorised under sub-section (1) of Section 14 of the Act to enter, inspect and search any place of entertainment ;
- (vi) 'prescribed officer' for the purposes of the Act or these rules means the officer referred to in the specific provision of the Act or these rules and includes any other person or authority to whom powers of the prescribed officer may be delegated by the State Government under sub-section (1) of Section 36 of the Act;
- (vii) 'forms' means a form prescribed under these rules;
- (viii) 'public holiday' means any gazetted holiday declared as such by the State or the Central Government or a holidays under the Negotiable Instruments Act, 1881 (Act No. 26 of 1881), but does not include a local or restricted holiday;

(viii-a) 'Reduced price' means the price lower than the usual price of admission to the classes to which the holder of the ticket is entitled;

(ix) 'Superintendent' means any person appointed by the Commissioner as Entertainment Tax Superintendent;

(x) 'stamp' means and Entertainment Tax Stamp issued by the State Government for the purposes of clause (a) of Section 8 of the Act;

(xi) 'treasury' means a Government Treasury and includes a sub-treasury.

**3. Manner of collection and levy of tax.—**(1)The proprietor of an entertainment in respect of which tax is leviable under Section 3 of the Act shall intimate in writing to the District Magistrate the rates of admission, excluding tax, to various classes, and the rates of different kinds of tickets for each class, the amount of tax and the surcharge of any, leviable on each kind of ticket and the total value of the ticket

(2) Where payment for a programme, or synopsis is compulsory, the tax shall be levied on the total sum paid for admission to the entertainment including the sum paid for the programme or synopsis. Where payment for a programme or synopsis is voluntary, the tax shall be levied separately on the sum paid for admission and on the sum paid for the programme or synopsis.

(3) The entertainment tax and surcharge levied under Section 3 of the Act shall be collected by the proprietor from every person obtaining admission to an entertainment along with the charge for admission by issuing a ticket for each such payment.

**4. Form of ticket.—**(1)A ticket for admission to an entertainment on which tax is leviable shall be in three counterfoils in Form 'A' and each counterfoil shall clearly bear the name and place of entertainment in block letters serial number printed by automatic printing machine, class, show, or where the tickets are show-wise, day-wise, day and show and kind of ticket namely, concession, child, complementary, defence personnel, etc. , price of admission or if no price or a reduced price is charged than the usual price of admission to the call to which the holder is entitled, the amount of entertainment tax and surcharge and the total

amount payable, date of issue of ticket by a rubber stamp and full name and address of the printing press.

(2) Tickets for different shows to be held on the same day and tickets for different classes in the same show shall be in different colours and each kind of ticket shall bear separate serial numbers starting from number 1 and ending at 1,00,000. Each ticket book shall contain 500 tickets but the defence personnel, child, concession and complementary ticket books may contain only 200 tickets.

**5. Issue of tickets.—(1)** The proprietor of an entertainment shall issue the outer and middle counterfoils of ticket to the purchaser thereof and shall retain inner counterfoil in the ticket book. At the time of admission to the class the middle counterfoil shall be collected at the gate and the outer counterfoil shall be returned to the person obtaining admission.

(2) Each kind of ticket shall be issued strictly in serial order only from one ticket book at a time and no ticket from fresh serial shall be issued unless tickets up to one lakh of the current serial have been exhausted. Any ticket used in contravention of this rule shall, unless proved to the contrary be considered to be a duplicate ticket issued with the object of evading the tax.

(3) The proprietor of an entertainment shall not keep in stock tickets of fresh serial numbers of any kind unless tickets of the serial 90,000 in use have been exhausted and unless prior information of the same has been given to the District Magistrate and any ticket found in stock in contravention of this rule shall, unless proved to the contrary, be considered to be duplicate kept for use with the object of evading the tax.

**6. Retention of tickets.—(1)** The middle counterfoils of different kinds of ticket collected at the gate shall be duly arranged in serial order and retained by the gate-keeper of the class concerned till the end of the show and by the proprietor till the end of the same show on the next day, where the tickets are show-wise or till the end of the same show on the same day in the next week where the tickets are day-wise show-wise. The inner counterfoils of tickets remaining in the ticket book shall also be retained by the proprietor for similar period.

(2) The outer counterfoil of ticket returned to the person obtaining admission to the entertainment shall be retained by him till the end of the show

**7. Production of tickets.**—On demand by the inspecting officer, portions of tickets retains as aforesaid shall be produced before him immediately by the gate-keeper, the proprietor or the spectator, as the case may be.

**8. Restriction on use of plural tickets.**—A ticket shall be issued for each person and not more than one person shall be admitted on one ticket.

**9. Season ticket.**— Where a particular taxable entertainment is to be completed in more than one show to be held on a number of days, the proprietor may issue one season ticket for all the day in Form 'C' and the dates for which it is issued shall be clearly noted on such ticket and its middle counterfoil shall have as many parts as the number of shows for which the ticket is valid so that one part may be collected at the date on each day.

**10. Attestation of tickets.**—The proprietor of a taxable entertainment shall before bringing into use, get all tickets books attested by the Entertainment Tax Officer, the Superintendent or the Inspector in such manner as may be directed by the Commissioner, and any unattested ticket book found into use shall, unless proved to the contrary, be considered to be a spurious ticket book used for evading the payment of due tax.

**11. Form and manner of information before holding as entertainment.**—A person desirous of holding an entertainment on which tax is leviable under the Act shall submit to the District Magistrate concerned an application in Form 'D' at least seven clear days before the date of such entertainment:

Provided that the District Magistrate may accept the application at a shorter period if he is satisfied that there were cogent ground or difficulties for not submitting the application earlier provided that there is sufficient time for depositing the security, getting the tickets attested, obtaining Government printed Form 'B' register and for completing other necessary formalities before starting the show.

**12. Admission without payment of tax.**—If in any entertainment on which tax is leviable under the Act any person in respect of whom tax is payable is found witnessing the show without a ticket it shall, unless proved to the contrary, be

presumed that such person has allowed admission without payment of due entertainment tax by the proprietor of such entertainment.

**13. Return for payment of tax.—**(1) The proprietor of every entertainment shall prepare separately for each show a return in Form 'B' in duplicate with ball pen and double-sided carbon showing the number of each kind of ticket issued for various classes, gross amount received from the sale of tickets and the amount of entertainment tax and surcharge collected.

(2) The account in Form 'B' shall be completed within one hour from the commencement of the show or ten minutes before the commencement of the interval, whichever is earlier (in case of English films or other shows of short duration within 30 minutes from the commencement of the main features film or the show, as the case may be and shall be kept readily available for inspection in the manager's office, if it is situated on the ground floor or, if there be no manager's office or where manager's office is not on the ground floor, in the booking office which shall be treated as manager's office for the purpose

(3) No ticket shall be sold after the account in Form 'B' has been prepared.

(4) Where it may be necessary to make corrections in the Form 'B' no over-writing or correction in the figures shall be made and the corrections shall be made only by encircling the wrong figure and writing the correct figure above it neatly under the signature or Manager. No erasion or over-writing in the Form 'B' shall be made.

(5) Contravention of sub-rules (2), (3) and (4) shall, unless proved to the contrary, be deemed to be the evasion of tax.

**14. Return of tax in respect of cabaret or floor show.—**(1) Where entertainment by way of cabaret or floor show is held in a hotel or a restaurant along with any meal or refreshment and tax is leviable under sub-section (6) of Section 3 of the Act, the proprietor of such hotel or restaurant shall prepare a return in duplicate with ball pen and double-sided carbon showing the amount payable by the customer for such meal or refreshment and the payment for admission, if any charged distinctly, and the amount of entertainment tax and surcharge due.

(2) The return required under sub-rule (1) above shall be prepared separately for each session in such form and giving such details as may be

required by the Commissioner or the District Magistrate keeping in view the manner of admission to such entertainment.

(3) The return required by the Commissioner, or the District Magistrate under sub-rule (2) shall be completed fifteen minutes before the end of each session.

**15. Submission of Form 'B' and weekly statement.**—The proprietor shall, within three days from the last day of each week ending with Sunday or any other period which may be specified for the purpose by the Commissioner, submit to the District Magistrate and original Form 'B' statements as also a consolidated statement in such form as may be specified by the Commissioner, showing the total number of tickets of each kind issued and the total amount of entertainment tax and surcharge collected during the period.

**16. Return in respect of programme or synopsis.**—Where any programme or synopsis is also sold the proprietor of such entertainment shall also prepare and submit, along with Form 'B' a statement in Form 'F'.

**17. Payment of tax by stamping the tickets.**—(1) Where the amount of tax is required to be paid by stamping the tickets in accordance with provisions of clause (a) of Section 8 of the Act, every taxable ticket for admission shall also have securely affixed upon the middle and the outer counterfoil of the ticket a stamp of the value of entertainment tax including surcharge, if any, payable :

Provided that no ticket bearing a stamp that has been torn, defaced or otherwise marked or mutilated shall be issued to any person by proprietor of an entertainment.

(2) On admission of the purchaser of a ticket to the entertainment the proprietor shall cause the stamp to be defaced by tearing the ticket into two portions across. the stamp and the counterfoils of tickets shall be collected and retained in the manner prescribed under Rules 5 and 6.

**18. Purchase and issue to stamps.**—(1) The stamps required for payment of tax under clause (a) of Section 8 of the Act shall be purchased by the proprietor of an entertainment only from the District Magistrate concerned or from such other officer as may be authorised by his to sell such stamps.

(2) No stamp purchased by a proprietor for payment of tax shall be issued to any person by or on behalf of the proprietor otherwise than securely affixed to a ticket issued for the purpose of authorising admission to an entertainment :

Provided that when the proprietorship of an entertainment changes hands, it shall be lawful for the new proprietor, after giving due notice to the District Magistrate, to purchase from the former proprietor the stock of unused stamps in the latter's possession:

Provided further than on receipt of the notice from the new proprietor the District Magistrate may permit the purchase of stamp by new proprietor after getting the accounts of the old proprietor thoroughly checked and after satisfying himself that the value of stamps to be purchased is actually the balance left with the old proprietor after up-to-date payment of tax.

(3) Proprietor of every entertainment required to pay the tax under clause (a) of Section 1 of the Act shall keep sufficient stock of stamps all the time and shall for this purpose replenish the stock of stamps from time to time.

**19. Refund of value of unused stamps.**—The proprietor of an entertainment who closes his business for any reason may, at any time, apply in writing to the District Magistrate for return of the balance of unused stamps in his possession and refund of their value to him. The District Magistrate may permit the stamps to be returned to the officer from whom they were purchased and for refund of their value after getting the accounts thoroughly checked and after satisfying himself that the value of the stamps proposed to be returned is actually the balance left with the proprietor after up-to-date payment of due tax.

**20. Renewal of damage or spoiled stamps.**—When any stamps purchased for payment of tax under the Act have been damaged or spoiled, the proprietor may apply in writing to the District Magistrate or the officer authorised by him in this behalf to sell such stamps, who, after satisfying himself that they have not been wilfully damaged or spoiled, may give in lieu thereof—

(a) fresh stamps of the same denomination and value, or

(b) stamps of any other denomination but of the same amount and value.

**21. Application under Rule 19 or 20.**—An application for refund under Rule 19 or under Rule 20 shall be chargeable with the requisite court fee.

**22. Account of stamps purchase and issued.**—(1) The proprietor of every entertainment required to pay the tax by stamping the tickets in accordance with the provisions of clause (a) of Section 8 of the Act shall keep an account of the stamps purchased and issued by him in Form 'G' which shall show the value of stamps purchased every day, the value of stamps issued to the purchasers of tickets in every show, and the value of stamps in balance including the stamps affixed on tickets which have not been issued.

(2) The account shall invariably be prepared in respect of each show and shall be completed within one hour from the commencement of the show or ten minutes before the commencement of the interval, whichever is earlier, and shall be kept readily available for inspection alongwith the account in Form 'B' prepared under Rule 13 of these rules.

(3) The value of the stamps issued in each show shall invariably be the same as the amount of tax which is payable as per Form 'B' statement in respect of that show.

**23. Verification of balance of stamps in hand.**—Proprietor of every entertainment required to pay the tax under clause (a) of Section 8 of the Act shall, on demand, produce the stamps in stock including the stamps on tickets not issued before any inspecting officer.

(2) If on physical verification the balance of stamps in hand is found in excess of the balance shown in Form 'C' then, unless proved to the contrary, the excess shall be deemed to be due to non-affixation of stamps on tickets with the object of evading the tax.

(3) Similarly if on physical verification the balance of stamps in hand is found less than balance shown in Form 'G' then, unless proved to the contrary, the difference shall be deemed to be due to non-entry of tickets issued in the Form 'B' statement prepared under Rule 13 of these rules with the object of evading the tax.

<sup>1</sup>[24. **Payment of tax in cash.**—(1) Proprietor of every entertainment required to make the payment of tax in each in accordance with the provisions of clause (b), (c) or (d) of Section 8 of the Act shall deposit the amount of tax into Government account in the State Bank of India conducting Government business or the Treasury, as the case may be, within three days from the last day of each week ending with Sunday or within such period as may be specified for the purpose by the Commissioner and which shall correspond with the period prescribed under Rule 15 for submission of From 'B' statements :

Provided that where the third day is a public holiday under the Negotiable Instruments Act, 1881 the tax may be deposited on the next working day :

Provided further that where the payment is made by cheque, which shall invariably be drawn on a local nationalised or Scheduled Bank, the same shall be handed over to the State Bank or the Treasury, as the case may be, within the two days from the end of the period to which the payment relates :

Provided also that where the proprietor of an entertainment has been sanctioned a grant-in-aid under a scheme launched by Government he shall deposit the amount of tax in Government account in accordance with the Government orders issued from time to time, in the behalf, after deducting the amount of grant-in-aid due and the amount so deducted from the tax shall be deemed to have been deposited into Government account.

(2) The Treasury challans shall be prepared separately for depositing the entertainment tax in triplicate bearing the words 'Treasury Copy', 'Departmental Copy' and 'Depositor's Copy' and shall be presented before Entertainment Tax Officer alongwith the statements, for verification of amount of tax and head of account.

(3) The proprietor shall, immediately after the tax has been paid intimate the Treasury challan number and the date of deposit to the District Magistrate and shall also keep the depositor's copy the Treasury challan received back after depositing the tax alongwith the weekly statement of the period to which the

payment relates in a file strictly in chronological order and shall, on demand, produce the same before an inspecting officer.]

<sup>1</sup>**(24-A. Compounded payment of Tax.—**(1) The proprietor of a cinema opting to make compounded payment of entertainment tax under the provision to sub-section (1) of Section 3 of the Act shall submit his written option in duplicate to the District Magistrate before the last date fixed by the Commissioner in this behalf in Form 'R' appended to these rules declaring the total number of shows to be exhibited in a day, number of seats in the cinema class-wise and the rates of tickets at full price and on reduced price if any].

(2) The option once exercised shall be valid for the period of a financial year.

<sup>1</sup>[(3)(i) The District Magistrate shall within a week of the receipt of the application communicate to the proprietor the gross collection capacity and the weekly tax payable by the cinema in Form 'S'.

(ii) The gross collection capacity shall be calculated by multiplying the number of the seats in various classes in a cinema by the respective current ticket rates including payment for admission and entertainment tax thereon and multiplying the sum so derived by such number of shows as the proprietor of the cinema declares to give in a day].

**Explanation.—**For the purpose of this sub-rule "the number of seats in various classes in a cinema" means the maximum permissible number of seats in various classes mentioned in the licence thereof and shall include any increase in the maximum number of seats by an amendment allowed by the Licensing Authority.

<sup>2</sup>[(4) The proprietor shall strictly adhere to the declaration under sub-rule (1) and shall obtain permission of the District Magistrate before effecting any change in the number of shows. The licensing authority shall have the power to revise the compounded amount of tax upwards if the gross collection capacity increases as of such permitted change].

(5) The proprietor of a cinema opting for compounded payment of tax shall inform the District Magistrate at least three days in advance if he proposes to

hold any show at reduced price of ticket. The District Magistrate shall cause all such shows to be inspected and rates verified.

**24-B. Collection of Tax.**—The proprietor of a cinema making compounded payment of tax shall not collect the tax separately from the purchaser of the ticket for admission, but the tickets issued for admission to such cinema shall clearly indicate the aggregate amount of admission and tax. The form and manner of issue of tickets shall be the same as provided in Rules 3, 4 and 5 and the provisions of Rules 6 to 10, 13, 15, 16 to 23 and 29 shall not apply to such cinemas.

**24-C. Payment of Tax.**—(1) The proprietor of a cinema making compounded payment of tax shall prepare and submit a return in Form 'T' to the District Magistrate on every 1st, 8th, 15th, 22th, of a month showing full particulars of cinematograph shows and amount of tax payable for the preceding week.

(2) The weekly tax calculated on the basis of the shows declared to be held in a day with necessary adjustment of the number of shows held at reduced price tickets shall be deposited in the State Bank of India conducting Government business or the treasury as the case may be, within three days from the last day of each week:

Provided that where the third day is a public holiday under the Negotiable Instruments Act, 1881 the tax may be deposited on the next working day:

Provided further that where the payment is made by cheque which shall invariably be drawn on a local nationalised or scheduled bank the same shall be handed over to the State Bank or the Treasury as the case may be, within two days from the end of the period to which the payment relates.

(3) The provisions of Rules 24 (2) and 24(3) shall also apply.

**25. Collection of lump sum tax in interior cinemas.**—The proprietor of an interior cinema liable to pay lump sum tax in accordance with the provisions of Section 4 of the Act shall not collect the tax separately from the purchaser of a ticket for admission but the ticket issued for admission to such cinema

shall clearly indicate that the charge for admission is inclusive of tax and the provisions of Rules 3 to 10, 14 and 17 to 23 shall not apply to such cinema.

**26. Preparation and submission of return of tax for interior cinema.—(1)** The proprietor of an interior cinema shall, immediately after the closing of each week on Sunday, prepare and submit to the District Magistrate a statement in Form 'H' showing the number of cinematograph show's held during the week and the amount of tax payable and the rebate, if any, claimed in accordance with the provisions of sub-section (2) of Section 4 of the Act.

(2) Where the number of shows held during a week is shown to be less than fourteen, the proprietor shall give reasons and furnish proof therefor to the satisfaction of the District Magistrate and the provisions of Rules 13, 15, and 16 shall not apply in such case.

**27. Payment of lump sum tax for interior cinema.—(1)** The proprietor of an interior cinema making payment of lump sum tax under Section 4 of the Act, shall deposit the full amount of weekly tax levied by the Government in advance on the first day of each week beginning from Monday and the provisions of Rules 24 shall not apply to such cases.

(2) The rebate in tax, if any, granted by the District Magistrates shall be adjusted against the advance tax payable for the next week.

<sup>1</sup>**[27-A. Payment of tax for Video cinema or public service vehicle.--(1)** The proprietor of a video cinema liable to pay tax in accordance with Section 4-A of the Act shall immediately after closing of each week on Sunday prepare and submit to the District Magistrate a return in Form 'H-1' appended to these rules showing the number or video shows held during the week and amount of tax payable and rebate, if any, claimed under sub-section (3) of Section 4-A of the Act, and the provisions of Rules 24, 25, 26 (2) and 27 shall *mutatis mutandis* apply

(2) The proprietor of a public service vehicle liable to pay monthly tax under Section 4-B of the Act shall after closing of each month submit a return in Form 'U' appended to these rules to the District Magistrate of the district where his vehicle is registered.

(3) The proprietor of the public service vehicle liable to pay monthly tax shall deposit the full amount of monthly tax levied by the State Government in advance on the 1st of every month and the provisions of sub-section (2) and (3) of Section 24 of the Act shall apply .-

(4) Where the number of days of operation of the vehicle is shown to be less than thirty, the proprietor shall give reasons and furnish proof thereof to the satisfaction of the District Magistrate for the rebate of the tax already paid in advance.

(5) The rebate in tax, if any, granted by the District Magistrate shall be adjusted against the advance tax payable in the month, next following.]

**27-B. Payment of tax for video facility in hotel rooms.—(1)** .The entertainment tax payable under sub-section (3) of Section 4-B of the Act shall be paid on Monday each week. Before the payment of the tax the proprietor shall prepare and submit to the District Magistrate a statement in Form 'V' appended to these rules, showing the particulars of rooms having facility and amount of tax payable for the week ending on Sunday. The provision Rules 24 (2) and 24 (3) shall also apply.

**28. Refund of tax deposited in excess.—**The proprietor of an entertainment claiming refund of tax under sub-section (1) of Section 9 of the Act shall submit an application in this behalf to the District Magistrate within twelve months of the deposit of the tax stating clearly the period to which the tax relates the amount of tax actually due, the amount of tax actually deposited, the Treasury challan number and the reasons for the deposit of the tax in excess. An application for refund not submitted within the aforesaid period of twelve months shall be liable to be rejected.

**29. Remission of tax when entertainment is not completed.—(1)** The proprietor of an entertainment claiming remission of tax under sub-section (2) of Section 9 of the Act shall submit an application in this behalf to the District Magistrate within two days of the date of entertainment alongwith the original Form 'B' statement in respect of the show which should not be completed and both the middle and the outer counterfoil of tickets collected at the gates and forms the spectators while refunding the value of tickets stating clearly the reasons for not completing the

show and certifying that the same were beyond his control. If the District Magistrate remits the tax and orders the show to be treated as cancelled the tax payable for that show shall be deducted from the weekly statement and shall not be deposited where the payment is made under clauses (b), (c) and (d) of Section 8 of the Act and, where the tax is paid by stamping the tickets under clause (a) of Section 8 of the Act, the stamps used on the tickets refunded shall be renewed in accordance with the provisions of Rule 20. An application for remission of tax not submitted within two days shall be rejected.

(2) Where the order for remission of tax and cancellation of the show is not passed by the District Magistrate before the due date for depositing the tax and the tax is deposited by the proprietor, the District Magistrate may allow the amount remitted to be adjusted against the tax for the subsequent week.

**30. Refund where proceeds devoted for philanthropic, religious or charitable purposes.—(1)** The proprietor of an entertainment, claiming refund under sub-section (3) of Section 9 of the Act, shall submit an application in this behalf to the State Government in the Finance (Entertainment Tax) Department through the District Magistrate within 15 days from the date of entertainment. An application for refund not presented within such period shall be rejected.

(2), The application for refund under sub-rule (1) above shall be in Form 'p',

(3) On receipt of an application for refund the District Magistrate shall, after verifying its contents forwards the same to the Government with his comments.

(4) If the refund is allowed by the Government the District Magistrate shall, refund the amount of tax to the depositor.

**31. Manner of depositing security.—**The proprietor required to deposit security under sub-section (1) of Section 10 of the Act shall open a security deposit account in the Post Office under Article 45 of "The Rules for the guidance of the depositors in the Post Office Saving Bank" in his own name and pledge the same to the District Magistrate. He shall also execute a bond in this

respect in Form 'E' appended hereto. The Pass Book of the security deposit account and the Security Bond shall be submitted to the District Magistrate who shall keep them in safe custody till the release" of the security.

<sup>1</sup>**[32. Amount of security.—**The amount of security shall be fixed by the authorized officer and shall not be more than the amount of the total tax chargeable for the full seating capacity of the entertainment hall for eight days as calculated with reference to the number of maximum shows to be held during eight days and shall not be less than twenty five per cent of such amount:

Provided that in case of a cinema other than an interior cinema which has not defaulted in the deposit of tax during preceding three years, the authorized officer, may on application in this behalf grant total exemption from depositing the security or, reduce the minimum amount of security, as he deems fit. He may, however, re-fix the amount of security as prescribed under this rule in case of any subsequent default in the deposit of tax :

Provided further that the amount of security in the case of an interior cinema shall be equal to the amount lump sum weekly tax fixed by the State Government in respect of such cinema :

Provided also that the amount of security fixed in the case of a temporary or casual entertainment shall in no case be less than rupees one thousand .]

**33. Deduction of tax from security and forfeiture of security.—(1)** The District Magistrate may order for the deduction of any arrears of tax from the security and a copy of such order shall be given to the proprietor. On receipt of such order the proprietor shall make good the amount of security before the tax for the next week falls due, and if this is not done the District Magistrate shall have the power to suspend the licence or the permission for holding the entertainment granted under any law for the time being in force.

(2) The order passed by the authorised officer to forfeit the security shall clearly state the amount forfeited and the forfeited amount shall not be withdrawn unless such order has been communicated in writing to the proprietor.

(3) The proprietor shall make good the forfeited amount of security within seven days from the receipt of the order unless the authorised officer grants him more time. The authorised officer shall have the power to suspend the licence or the permission for holding the entertainment granted under any law for the time being in force if the proprietor fails to make good the security within the time allowed for the purpose.

(4) Where the licence or permission has been suspended under sub-rule (1) or sub-rule (3) above; the authorised officer shall also have the power to adjust the balance of security towards the outstanding amount of up-to-date tax and to realise the remaining amount, if any, as arrears of land revenue.

**34. Refund of security.**—Where the proprietor of an entertainment sells or otherwise disposes of his business and ceases to be the proprietor of such entertainment for the purposes of the Act or where he discontinues his entertainment in the district where the security is deposited, the District Magistrate may, upon application, and after satisfying himself that no tax dues are outstanding and no case is pending for decision against the said proprietor under the Act or these rules, realise the Security and order the balance in the security deposit account to be refunded to the proprietor.

Provided that where the proprietor of an entertainment has already deposited certain amount of security which is subsequently reduced, the District Magistrate may, upon application, order the difference to be refunded to the proprietor.

**35. Classes of audience or spectators exempted.—(1)** The following classes of audience or spectators are exempted under sub-section (2) of Section 11 of the Act from liability to pay tax under the Act—

- (a) Any child not exceeding five years in age when admitted free of payment;
- (b) Any soldier, sailor or airman who is a member of the armed forces of the Union of India ( but not a commissioned officer) when admitted in uniform or when not in uniform on production of his identity card in such manner as may be specified by the Commissioner :

Provided that the words 'Defence Personnel' shall be printed on the ticket issued to such person :

Provided further that where an inspecting officer is satisfied that any person witnessing the show is not entitled to exemption under this rule owing to his failure to produce his identity card for inspection or for any other reason, the person obtaining admission on defence personnel ticket shall be liable under the Act in the same manner as a person liable to pay tax obtaining admission without payment of such tax and the proprietor of such entertainment shall also be liable for allowing such person admission without payment of tax.

(c) The Chairman and Members of the Central Board of Film Censors, the Regional Officers of the Central Board of Film Censors, Madras and Calcutta the Assistant Regional Officer, Bombay and the Members of the Advisory Panel, Bombay, Calcutta and Madras of the said Board when they obtain admission into a licensed cinema without payment on a complementary ticket issued to them by the exhibitors of such cinema for the purpose of satisfying themselves that the provisions of the Cinematograph (Censorship) Rules, 1958 are being complied with.

(d) The accredited representatives of the Films Division, Ministry of Information and Broadcasting, Government of India, bearing permits or certificates to that effect and having filed copies thereof with the District Magistrate or the Sub-Divisional Magistrate concerned, when obtaining entry into a licensed cinema without payment on a complementary ticket issued by the proprietor of the cinema for the purpose of ensuring the observance of the terms and conditions of the contract entered into by the exhibitors with the President of India regarding the supply and exhibition of approved films.

(2) Where members of the armed forces, their families and their guests are admitted to a performance organised and produced exclusively for the members of the armed forces under the orders of the Government of India then they shall be exempt from the payment of the tax.

(3) Where members of the armed forces, their families and their guests are admitted on payment to a performance or entertainment not covered under sub-rule (2) above then only the members of the armed forces below the rank of commissioned officers, shall be exempt from payment of the tax under clause (b) of sub-rule (1) of this Rule and the tax shall be levied and paid in respect of their families and their guests irrespective of the fact whether the entertainment is owned or controlled by defence authorities or any other individual

(4) When a child exceeding five years but not exceeding twelve years in age is admitted on payment of a reduced sum, tax shall be levied only on the payment for admission actually made by him and he shall be exempt from payment of the tax on the rest of the amount and the sum actually paid by Him shall be printed on the ticket issued to him

(5) Except where a person admitted free of payment is a child not exceeding five years in age, every person, who is admitted either free of payment or on payment of a reduced sum, shall be given a ticket by the proprietor showing clearly thereon the payment for admission made, or, if no payment is made then the word "free" shall be printed thereon.

(5) Except where a person admitted free of payment is a child not exceeding five years in age, every person, who is admitted either free of payment or on payment of a reduced sum, shall be given a ticket by the proprietor showing clearly thereon the payment for admission made, or, if no payment is made then the word "free" shall be printed thereon.

**36. Exemption by Government under Section 11 (3) of the Act.**—Any person seeking exemption from payment of the tax under sub-section (3) of Section 11 of the Act, shall apply to the State Government in the Finance (Entertainment Tax) Department through the District Magistrate of the district where the entertainment is to be held at least thirty days before the proposed date of entertainment stating clearly the full description and nature of entertainment with necessary proof as also the particular clause of sub-section (3) of Section 11 under which the exemptions sought.

**37. Exemption by District Magistrate under Section 11 (4) of the Act.—**

1) An application for exemption under sub-section (4) of Section 11 of the Act, shall be presented to the District Magistrate concerned ten clear days before the date of the entertainment but the District Magistrate may, well and sufficient reasons, to be recorded in writing, accept such application at a shorter notice but not later than three days before the date of the entertainment and any application not so presented shall be rejected.

(2) The application for exemption shall be in Form 'Q'.

(3) No exemption shall be granted where the donor and donee are the same except in the case of a Registered Society or Institution which is established for philanthropic, religious or charitable purposes.

(4) Where the District Magistrate is satisfied he may grant the exemption after realising such security as he may consider necessary to secure payment of the due tax in case the exemption is cancelled under sub-section (6) of Section 11 of the Act.

(5) Where exemption is granted a certificate shall be issued to the applicant by the District Magistrate in Form 'I' and the same shall, on demand, be produced before an inspecting officer and a copy of the same shall also be displayed at a conspicuous place during the entertainment.

(6) The proprietor of the exempted entertainment shall submit to the District Magistrate all tickets for admission for attestation in the manner required by the District Magistrate before bring them into use. He shall also prepare and submit to the District Magistrate within three days from the date of entertainment a full and true account of the tickets issued at different rates and the gross amount collected from the sale thereof along-with the counterfoils of used tickets and all the unused ticket books. He shall also furnish a full and true account of the expenditure incurred alongwith the vouchers, if so required by the District Magistrate within a week from the date of the entertainment.

(7) The proof of utilization of the entire gross proceeds for philanthropic, religious or charitable purposes in the form of acknowledgement of receipt of amount from the Society, Institution or Funds shall also be furnished

by the proprietor of the entertainment within 15 days from the date of the entertainment.

**38. Cancellation of exemption under Section 11 (6) of the Act.—** Where an exemption granted is proposed to be cancelled under sub-section (6) of Section 11 of the Act the District Magistrate shall give a reasonable opportunity of being heard to the person to whom exemption was granted before passing order for cancelling the exemption and levying the tax.

**39. Manner of sale or resale of tickets.—(1)** The tickets for admission to a cinematograph exhibition shall be issued by the proprietor only from a booking office provided for the purpose.

(2) The purchaser of a ticket, who, for any reasons, does not want to see the show shall not resell the ticket directly to any other person but he may do so through the booking office of the cinema.

(3) Ticket once detached from the ticket book and issued shall not, however, be kept for resale in the booking office.

**40. Receipt for records taken into possession.—**Where any books of accounts or other records are taken into possession by any inspecting officer he shall grant a receipt for the same to the proprietor by making a list of all such records in duplicate and obtain the signatures of the proprietor on the duplicate copy thereof.

## CHAPTER II

### **Totalizator and Betting Tax**

**41. Rate of the totalizator tax.—**The rate at which the totalizator tax shall be levied and paid to the State Government under sub-section (1) of Section 16 of the Act shall be ten per cent of all monies paid into any totalizator by way of stakes or bets.

**42. Tickets to be issued by stewards.—(1)** Tickets required to be issued by the stewards shall be of different colours and shall bear separate serial number for

each race and for each kind of stake or bet and for different horses or combination of horses.

(2) Each ticket shall have two counterfoils, the outer counterfoil, to be known as ticket, shall be issued from the totalizator to the punter viz ... the person making payment of money by way of stake or bet, and the inner counterfoil shall retained in the ticket book.

(3) Each counterfoil of ticket shall have shown upon it the name of the racing club, name of enclosure, number of race; serial number of ticket, amount of bet, amount of tax and surcharge and the total, the name or number of those or horses and the kind of bet and such other information as may be required by the Commissioner.

(4) Tickets shall be issued in serial order for each enclosure and the name and number of enclosures and the kind and amount of bets to be accepted shall be intimated in writing by the stewards to the District Magistrate.

(5) Only one kind of tickets shall be issued from each booking window provided by the stewards for each enclosure at the totalizator.

(6) If the Commissioner so desires the tickets shall be got attested in accordance with the provisions of Rule 10 before the same are issued by the stewards to the punters.

**43. Collection of tax.**—The amount of totalizator tax and the surcharge payable on each payment made at totalizator by way of stake or bet shall be collected alongwith the amount of bet by the stewards who shall be responsible for the payment of the same to the State Government.

**44. Return of account of totalizator tax.—(1)** The number of each kind of tickets issued for each race and at each enclosure shall, immediately after the sale of tickets at the totalizator is stopped, and the amount collected by way of stake or bet as also the amount collected on account of totalizator tax and surcharge, be worked out and noted in Form 'J' annexed to these rules to be prepared by the stewards, in duplicate, in respect of each race. The total amount of totalizator tax and tax and surcharge shall be carried over on the next page below the total of tax collected at the next race and the progressive total of tax shall be struck. This process will continue till the end of the last race

and the progressive total of tax below the account for the last race shall be the total of tax collected for the race meeting of that day. If more than one race meeting is held in a week ending with Sunday then the total of tax for the last race meeting shall also be brought forward below the progressive total of tax for the last race meeting so that the progressive total of tax at the close of the last race meeting in a week shall show the amount of tax collected and payable for that week.

(2) The stewards shall also prepare a statement in Form 'K' annexed to these rules, in duplicate, showing the total number of each kind of tickets issued and the total amount of tax collected at the race meetings held during a week.

**45. Submission of accounts of totalizator tax.**—The stewards shall submit to the District Magistrate all the original Form 'K' statements for the week alongwith the originals of all the Form 'J' statements for each race within three days from the end of each week.

**46. Payment of tax by stewards.**—The totalizator tax and surcharge for each week ending with Sunday shall be deposited by the stewards within three days from the last day of each week into Government account in the State Bank/Treasury at the place where the race meeting is held in the manner required by the District Magistrate concerned through Treasury Challans to be prepared in triplicate, and marked as 'Depositor's Copy', 'Treasury Copy' and 'Department Copy'.

**47. Licence for bookmaker.**—(1) A person desirous of acting as a bookmaker in a race course shall submit an application to the District Magistrate concerned through the stewards for obtaining, a licence for operating a book, stating clearly his full name, father's name, full address of his permanent residence as also his local address in case he is not the resident of the town where the race course is situated, profession or vocation, if any, in which he is permanently engaged and the place where such profession or vocation is carried out, the name and style under which he proposes to operate the book and in case he is already operating a

book at any other race course, whether in Uttar Pradesh or any other State, then the name under which and the place where such book is operated shall be stated.

(2) The stewards shall forward the application for obtaining bookmaker licence to the District Magistrate concerned in case they are willing to allow the applicant to act as a bookmaker in their race course and to stand as surety for payment to Government of the amount of betting tax and surcharge collected by him.

(3) The District Magistrate may, if satisfied, grant a licence to the applicant in Form 'L' appended to these rules after getting the licence fees at the rates fixed under sub-rule (4), deposited on the conditions set forth therein and on such additional conditions as he may consider necessary or as may be specified by the Commissioner.

(4) The fee payable for the grant or renewal of licence for bookmaker shall be levied at the following scale—

	Rs
(a) up to three months	500
(b) between three and six	1,000
(c) six months to one year	2,000

(5) The maximum period for which a licence may be granted or renewed, shall be one year beginning from April 1 and ending on March 31.

**48. Rate of betting each bet.**—The rate of which betting tax shall be paid under sub-section (1) of Section 18 of the Act shall be ten per cent of all monies paid or agreed to be paid to a licensed bookmaker by a backer as a bet on any race.

**49. Issue of card for each bet.**—(1) The card required to be issued for each bet under sub-section (3) of Section 18 of the Act shall have shown upon it the serial number, name of the book, the name and place of the race course, date of the race meeting, number of the race, name or number of the horse on which bet is laid, kind of bet, viz, win or place, amount laid by the backer as bet amount of betting tax and surcharge and the amount payable, by the bookmaker to the backer in case the

horse on which the bet is laid wins. In the case of credit bets the bookmaker shall be fully responsible for the realisation of the tax from the backer.

(2) The cards for bets shall be issued by a bookmaker in serial order after getting the same attested in accordance with the provisions of Rule 10.

**50. Account of bets.—(1)** Each card issued by a bookmaker to a backer shall be entered by dot pen in a register in Form 'M' appended to these rules immediately after the same is issued. In the case of credit bets the name and full address of the backer shall also be noted in the register.

(2) At the end of each race the bookmaker shall prepare with dot pen a return, in duplicate, in Form 'N' appended to these rules showing the total number of cards issued amount laid with him on account of bets, amount collected on account of betting tax and surcharge including the betting tax and surcharge payable in respect of the credit bets. The total of the amount of betting tax and surcharge collected in each race shall be carried over on the next page below the total of the amount of betting tax and surcharge collected in the next race and the progressive total of tax shall be struck. This process will continue till the end of the last race and the progressive total of the tax below the amount for the last race shall be the total of tax collected for the race meeting of that day. If more than one race meeting is held in a week ending with Sunday then the total amount of tax for the last race meeting shall also be brought forward below the progressive total of tax for the next race meeting so that the progressive total of tax at the close of the last race meeting in a week shall show the amount of tax collected and payable for that week.

(3) The bookmaker shall also prepare, in duplicate, a statement in Form 'O' appended to these rules showing the total number of cards issued and the total amount of tax collected at all the race meetings held during a week.

**51. Submission of accounts of betting tax.—**Each licensed bookmaker shall submit to the District Magistrate the original statement in Form 'O' for the week alongwith the originals of all the statements in Form 'N' for each race within three days from the end of each week.

**52. Security for due payment of betting tax and surcharge.**—If the District Magistrate so requires the licensed bookmaker shall furnish such security and shall also execute a bond in such form and manner as may be required by the Commissioner but the amount of such security shall not exceed rupees three thousand.

**53. Payment of betting tax by licensed bookmaker.**—The betting tax and surcharge for each week ending with Sunday shall be deposited by the licensed bookmaker within three days from the last day of each week into Government account in the State Bank/Treasury at the place where the race meeting is held in the manner required by the District Magistrate concerned through Treasury challans, in triplicate to be marked as 'depositor's copy', and 'treasury copy' and 'departmental copy'.

**54. Deduction of arrears of tax from security and forfeiture of security.**—(1) If the licensed bookmaker fails to deposit the tax into Government account within three days from the end of any week, the District Magistrate shall be entitled to deduct the amount of the arrears of tax from the amount of the security and shall immediately send a copy of his order to the licensed bookmaker, who shall make good the amount of security before the tax for the next week falls due. If the security is not made good within the prescribed time limit, the District Magistrate shall also have the power to suspend the licence of the bookmaker in accordance with the provisions of Section 21 of the Act.

(2) The Commissioner or the District Magistrate shall also have the power to forfeit in whole or in part the security if any evasion of tax is proved and where the security is so forfeited the bookmaker shall make good the security within such period as may be allowed and if he fails to do so the Commissioner or District Magistrate shall have the power to suspend the licence of the bookmaker in accordance with the provisions of Section 21 of the Act.

**55. Revocation etc. of bookmaker's licence.**—(1) The District Magistrate or the Commissioner may revoke or suspend the licence of a bookmaker under Section 21 of the Act for a period not exceeding one month.

(2) A copy of the order revoking or suspending the licence shall be sent to the stewards who shall ensure that the bookmaker does not operate the book till the expiry of the period for which the licence has been revoked or suspended or till its restoration, whichever is earlier.

**56. Procedure for remission of tax under Section 22 of the Act.—(1)** The stewards in respect of the totalizator tax and every bookmaker in respect of betting tax shall submit to the District Magistrate an application for granting remission of tax in respect of the race which has been cancelled by the stewards alongwith the account of tickets/cards issued for the cancelled race and all portions of tickets/cards in respect of which remission of tax is claimed. The stewards shall also give reasons for the cancellation of the race. The application shall invariably be submitted on the next working day.

(2) If the District Magistrate is satisfied that the race was actually cancelled and the amount of all bets paid into the totalizator or that laid with the bookmaker including the amount of tax and the surcharge was actually refunded to the persons making the bets, he shall grant the remission of such amount of tax as he finds to have actually been refunded to the backers and get the statement of account and the tickets/cards cancelled.

**57. Inspection under Section 23.—**The provision of Rule 40 made under Section 14 of the Act shall also apply, *mutatis mutandis*, in respect of the inspections made under Section 23 of the Act.

### CHAPTER III

#### Prosecutions

**58. Persons authorised to file prosecutions.—**Prosecutions shall be launched by any officer authorised to carry out inspections under Section 14 of the Act or by any other officer authorised in this behalf in writing by the State Government, the Commissioner or the District Magistrate concerned.

**59. Sanction of prosecution.—**A prosecution shall be filed under general or special order of the Commissioner or the District Magistrate but no prosecution shall

be invalid for the reason only that prior sanction of the Commissioner or the District Magistrate concerned was not obtained by the person filing the prosecution.

**60. Conduct of prosecution.—**All prosecution under Chapter IV of the Act shall be conducted by the Prosecuting Officer or an Assistant Prosecuting Officer of the district or any other officer specially appointed by the District Magistrate where the Prosecuting or the Assistant Prosecuting Officer is not free to conduct the case :

Provided that the prosecutions of routine nature may be conducted by any officer authorised to file prosecutions or any other departmental officer looking after the case on behalf of the State Government and representing the complainant in the court.

**61. Appearance of the complainant on each date in the court.—(1)** Where the complainant is an Entertainment Tax Superintendent or an Inspector posted at the same place where the court is situated he shall attend the court on each date fixed for the hearing of the case :

Provided that where a complainant has been transferred or is on leave his successor-in-office or any officer looking after his work shall attend the court as complainant.

(2) Where the complainant is any officer other than an Entertainment Tax Superintendent or Inspector he shall be represented by an officer conducting the prosecution under Rule 60 in accordance with the provisions of Section 256 of the Code of Criminal Procedure, 1973 and such officer shall request the court to grant exemption from attending the court personally.

**62. Compounding of offences.—**(1) Any person liable for punishment for contravening the provisions of the Act or these rules may, at any time either before or after the institution of the prosecution under Chapter IV of the Act, submit an application to the Commissioner either direct or through the District Magistrate concerned for the compounding of the offence stating clearly the name and place of the entertainment, name and designation of the inspecting officer, date and time of inspection, the irregularity detected and the offence committed.

(2) On receipt of an application for the compounding of an offence the Commissioner may, where necessary, call for the records of the case from the

officer who has carried out the inspection or from the District Magistrate, as the case may be, and , if satisfied, he may issue an order compounding the offence, subject to realisation of such composition fee, as may be specified under Section 33 of the Act.

(3) A copy of the order of the Commissioner for compounding an offence shall be sent by him to the District Magistrate concerned who shall realise the composition fee and, in case where a prosecution has already been filed, inform the court concerned that the offence has been compounded and the composition fee has been realised and deposited into Government account. A copy of the Commissioner's order shall also be supplied to the court.

(4) The composition fee shall be deposited into the Government account under the same head of account and in the same manner as the entertainment tax on the betting tax, as the case may be, is deposited. The treasury challan number and the date of deposit shall be communicated by the District Magistrate to the Commissioner.

(5) The offence shall stand compounded only after the composition fee has been deposited into the Government account.

#### **CHAPTER IV**

##### **Miscellaneous**

**63. Notice of recovery of tax.**—Where any sum due on account of tax under any provision of the Act has not been paid within the specified period by the person liable to make the payment, the District Magistrate shall, before issuing an order for recovery of the same as arrears of land revenue under Section 34 of the Act, issue a notice of demand calling upon such person to make the payment within a specified time.

**64. Delegation of powers.**—The powers under the Act or these rules shall be exercised by the Commissioner in respect of the whole of the State or the District Magistrate concerned in respect of his district or by any other officer to whom such powers have been delegated by the said officers—in accordance with the provisions of the Act to the extent and in manner prescribed under the Act or these rules.

**65. Appeals.—**(1) An appeal under sub-section (3) of Section (3) sub-section (2) of Section 12, sub-section (3) of Section 15 or sub-section (4) of, Section 21 of the Act shall be preferred to the Secretary to the Government of Uttar Pradesh in the Finance (Entertainment Tax) Section, U.P. Secretariat, Lucknow alongwith a certified copy of the order against which the appeal is made and stating clearly the grounds of appeal. A copy of the notice, if any, received, and the reply a notice, if any, given shall also be submitted.

(2) A copy of the appeal alongwith its enclosures shall also be supplied simultaneously to the officer against whose order the appeal is preferred and to the District Magistrate concerned who shall supply necessary records and such other information to the Government as may be required alongwith his comments.

(3) Where, on perusal of the appeal, the State Government is satisfied it may grant a temporary stay and send a copy or its order to the Commissioner as well as to the District Magistrate concerned and on receipt of such order no further action in the matter shall be taken by any of the said officers.

(4) A copy of the final order passed by the Government on the appeal shall also be sent to the Commissioner and the District Magistrate concerned and,—

- (i) if the appeal is finally allowed by the Government and the temporary stay granted, if any, is confirmed, all further proceedings in the matter shall be dropped ;
- (ii) if the appeal is allowed only partially, the order under appeal shall stand amended in accordance with the orders issued by the Government and action shall be taken as per amended orders ;
- (iii) if the appeal is rejected, the temporary stay granted, if any, shall stand vacated.

**66. Manner of service of notice etc.—**Any notice or order under the Act or these rules shall be served by the officer issuing the same in any of the following ways—

- (a) by sending the same to the person concerned under certificate of posting or by registered post at the address of his place of business or residence ;
- (b) by giving it personally to the person concerned or his duly authorised manager or agent or to any adult member of his family if none of the aforesaid persons are available ;
- (c) by affixing it at some conspicuous place at the last known place of business or residence or the person concerned.

**67. Inspection Book.**—Proprietor of every entertainment, stewards of race meetings, or a licensed bookmaker shall maintain an Inspection Book and produce the same immediately on demand for recording of remarks by various inspecting officers. The Inspection Book shall contain 100 pages serially numbered and shall be brought into use after getting the same authenticated in the manner as may be required by the Commissioner for the attestation of the ticket books. When an Inspection Book is exhausted a new Inspection Book shall be brought into use after getting it authenticated as aforesaid and the previous book shall be surrendered to the District Magistrate concerned for record after obtaining a receipt for the same which shall be pasted on the first page of the new Inspection Book.