

¹[CHAPTER X-AA]**Finance
Commission****126-AA. Finance Commission.**

(1) The Finance Commission shall review the financial position of the Corporation and make recommendation as to-

- (a) the principles which should govern-
 - (i) the distribution between the State and the Corporation of the net proceeds of the taxes, duties tolls and fees leviable by the state which may be divided between them and the allocation between the Corporation at all levels of their respective shares and such proceeds;
 - (ii) the determination of the taxes, duties, toll and fees which may be assigned to, or appropriated by the Corporation;
 - (iii) the grants-in-aid to the Corporation from the consolidated fund of the State;
- (b) the measures needed to improve the financial position of the Corporation.
- (c) any other matter referred to the Finance Commission in the interest of sound finance of the Corporation.

(2) Every recommendation made by the Commission together with an explanatory memorandum as to the action taken thereon shall be laid before the State Legislature]

²[CHAPTER X-A**FINANCIAL ASSISTANCE TO CORPORATIONS****Power of State
Government to
make grants****126A. Power of State Government to make grants.**

³[(1) The State Government may, after considering recommendations of the ⁴[Finance Commission or otherwise] determine whether for augmenting the finances of the Corporation for any of the purposes of this Act it is necessary to make any grant to the Corporation and if so, the amount thereof.

(2) The grant so determined shall be made to the Corporation every year but it may be revised after a period of every five years having regard to the recommendations of the - ⁵[Finance Commission or otherwise] in respect of the revision of grants to Corporation.]

(3) Every grant under this section shall be made after due appropriation made by the State Legislature by law in this behalf.

(4) The payment of a grant to a Corporation shall be subject to the condition that if there be any amount due from the Corporation to the State Government, it shall be lawful for the State Government to recover the amount from the Corporation by making the deduction from the amount of the grant payable to the Corporation under sub-section (2).

¹ New Chapter inserted by Guj. 16 of 1993 s. 16.

² Chapters X-A and X-B were inserted by Guj. 1. of 1979, s. 12.

³ Sub-section (1) and (2) was substituted by Guj. 12 of 1979, Schedule, Sr. No. 1.

⁴ This word was substituted for the word "Gujarat Municipal Finance Board" by Guj. 16 of 1993. s. 17.

⁵ Same as 4.

CHAPTER X-B

TAXATION BY THE STATE GOVERNMENT

Levy of fifty paise cess on every rupee of land revenue

126B. Levy of fifty paise cess on every rupee of land revenue.

(1) On lands situated within the limits of a City, the State Government shall levy, on the conditions and in the manner hereinafter described, a cess at the rate of Fifty paise on every rupee of -

- (a) every sum payable to the State Govt. as ordinary land revenue except sums payable on account of any of the charges mentioned in sub-section (2) and except sums payable on account of any of the charges which may be notified by the State Government in this behalf;
- (b) every sum which would have been payable as land revenue by a small holder as defined in the Explanation to section 45 of the Bombay Land Revenue Code, 1879 in respect of the land held by him for the time being for the purpose of agriculture, had land revenue been payable in respect of such land under the said section by such small holder; and
- (c) every sum which would have been assessable on any land as land revenue had there been no alienation of the land revenue :

Provided that no cess shall be levied under this section on sums less than twenty-five paise.

(2) The following sums shall not be taken into account for the purpose of sub-section (1), namely,-

- (i) penalties and fines, including any charge imposed under section 148 of the Bombay Land Revenue Code, 1879 (Bom. V of 1879) as penalty or interest in case of default :
- (ii) fees for grazing when charged per head of cattle.

Levy of cess on water rate

126C. Levy of cess on water rate.

The State Government may levy a cess not exceeding twenty paise on every rupee of water-rate leviable under the provisions of the Bombay Irrigation Act, 1879 (Bom. VII of 1879) in respect of lands situated within the limits of a City.

Manner of levying cess described in section 126B

126D. Manner of levying cess described in section 126B.

The cess described in section 126B shall be levied, so far as may be, in the same manner, and under the same provisions of law, in or under which land revenue is levied:

Provided that in the case of any land in the possession of a tenant, if such tenant is liable to pay the land revenue in respect of such land under the provisions of the Bombay Tenancy and Agricultural Lands Act, 1948, (Bom. LXVII of 1948. Bom. XCIX of 1958) or the Bombay Tenancy and Agricultural Lands (Vidarbha Region and Kutch Area) Act, 1958, such tenant shall be primarily liable for the payment of cess in respect of such land.

Manner of levying cess described in section 126C

126E. Manner of levying cess described in section 126C.

The cess described in section 126C shall be levied, so far as may be, in the same manner, and under the same provisions of law, in or under which water-rates payable to the State Government under the Bombay Irrigation Act, 1879 (Bom. VII of 1879) are levied.

Collection & credit of local cess on land revenue & water rates	<p>126F. Collection & credit of local cess on land revenue & water rates.</p> <p>The local cess leviable on land revenue under section 126B and on water-rate under section 126C in respect of land shall be paid by the State Government to the Corporation within the jurisdiction of which the lands concerned are situated, after deducting such portion thereof as cost of collection as the State Government may prescribe by rules.</p>
Suspension and remission of local cess	<p>126G. Suspension and remission of local cess.</p> <p>On the application made by the Corporation to which the cess under section 126A or section 126B is payable or suo motu, the State Government may, by notification in the Official Gazette, suspend or remit the collection of cess or any portion thereof in any year in any area subject to the jurisdiction of such Corporation.</p>
Validation of levy, assessment and collection of cess on land revenue and water-rate in Cities	<p>126H. Validation of levy, assessment and collection of cess on land revenue and water-rate in Cities.</p> <p>Notwithstanding any judgment, decree or order of any Court or Tribunal, all cess on land revenue and water-rate levied, assessed or collected after the repeal of the Bombay Local Boards Act, 1923 (Bom. VI of 1923. Guj. Ord. 2 of 1978) and before the date of the coming into force of the Bombay Provincial Municipal Corporations (Gujarat Amendment) Ordinance, 1978 (hereinafter in this section referred to as "the Ordinance") in any area which at any time during the period after such repeal and before the said date formed part of a City under this Act shall be deemed to have been validly levied, assessed or collected in accordance with law as if-</p> <p>(i) the provisions of this Act as amended by the Bombay Provincial Municipal Corporation (Gujarat Amendment) Act, 1979 (Guj. 1 of 1979) (hereinafter in this section referred to as "the said Act") relating to the levy, assessment and collection such cess formed part of this Act at any material time when such cess was levied, assessed or collected:</p> <p>(ii) all notifications, rules and orders relating to the levy, assessment and collection of such cess had been issued or made under this Act and had been in force, at any such time;</p> <p>(iii) the rate at which the cess levied, assessed or collected at any such time had been the rate specified in this Act, and accordingly any such cess levied or assessed before the date of the coming into force of the Ordinance, but not collected before such date may be recovered (after assessment of the cess where necessary) in the manner provided in this Act as amended by the said Act ;</p> <p>Provided that nothing in this section shall render any person liable to be convicted of an offence in respect of an act committed by him before the date of the coming into force of the said Act if such act was not an offence under this Act before the said date:</p> <p>Provided further that the amount of cess on land revenue and water-rate levied, assessed and collected or purporting to have been levied, assessed & collected after the repeal of the Bombay Local Boards Act, 1923 and before the date of the coming into force of the Ordinance & validated under this section, and the amount of such cess recovered under this section after the commencement of the ordinance shall</p>

he paid by the State Government to the Corporation, within the jurisdiction of which the lands, in respect of which the cess was collected or is recovered are situated, after deducting such portion thereof as the cost of collection as the State Government may determine.]