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: Profession Tax Amendments – 2008-09 :

1. **Powers to Levy, Collect and Retain the Profession Tax is delegated to Local Bodies. Local bodies defined as under:**

   - Municipal Corporation – Constituted under B.P.M.C. Act.
   - A Municipality – Constituted under Gujarat Municipalities Act.
   - A Village Panchayat – Constituted under Gujarat Panchayats Act.

2. **Liability of Profession Tax as a "Person".**

   - Every person is liable to pay tax to the designated authority at such rate fixed by such Authority, but not exceeding Rs. 2500/-
   - Now from, every person is liable to pay profession tax for each and every place of his business separately to the respective designated authority. Therefore, every branch of firm, company, corporation or other corporate body, any society, club or association shall be deemed to be treated "Separate Assessee".
   - Every local authority empowers to decide the rate of profession tax for person subject to condition of maximum Rs.2500/- p.a.
   - Till the designated authority fixes the rate of tax, State Government may specify the minimum rate of tax for different "Person". Any designated authority cannot levied tax below the limit specified by the State Government, till the rate of tax is fixes by it.
   - Different limits for profession tax liability on "Person" fixed by the State Government is shortly briefed as under:

Entry No.	Class of Persons	District Panchayat	Municipality	Municipal Corporation
02,03, 05,06, 08,09	Legal practitioners, Medical Practitioner, All fields of technical and professional consultant, All types of Agents, Contractors other then building contractors, Automobiles agents and many other categories defined in entry 2,3,5,6,8, and 9 to Schedule appended herewith.	500/-	1000/-	2000/-

04	**Firms registered under the Indian Partnership Act, 1932 which are engaged in any professions, trade or callings**	**500/-**	**1000/-**	**2000/-**
07	**Dealers as defined in the GVAT Act, 2003 whose annual gross turnover of all sales or of all purchases -**			
	Not more than Rs. 2,50,000/-	**Zero**	**Zero**	**Zero**
	Rs. 2,50,000 to less than Rs. 5,00,000/-	**500/-**	**500/-**	**500/-**
	Rs. 5,00,000/- to less than Rs. 10,00,000/-	**1250/-**	**1250/-**	**1250/-**
	Rs. 10,00,000/- or More	**2400/-**	**2400/-**	**2400/-**
10	**Persons other than those mentioned in any of the preceding entries, who are engaged in any profession, trade, callings or employments and in respect of whom a notification is issued under the fourth proviso to sub-section (2) of section 3**	**500/**	**1000/-**	**2000/-**

3. Employers Liability to deduct and pay Profession Tax.

- **Every employer is liable to deduct and pay tax from the salary or wage payable to his employee subject to the limit of salary or wage. Rate of profession tax fixed by the State Government for all designated authorities are as under:**

Monthly Salary or Wages Limit	Rate of Tax Per Month
Less than Rs. 3000/-	Zero
Rs. 3000/- or more but less than Rs. 6000/-	Rs. 20/-
Rs. 6000/- or more but less than Rs. 9000/-	Rs. 80/-
Rs. 9000/- or more but less than Rs. 12000/-	Rs. 150/-
Rs. 12000/- or more.	Rs. 200/-

4. **The above changes are come into force <u>w.e.f. 1st April 2008.</u>**