

THE [* TAMIL NADU] BETTING TAX ACT 1935

*[TAMIL NADU] ACT XX OF 1935]+

+(For Statement of Objects and Reasons, see Fort St, George Gazette, dated the 22nd October 1935 – Part IV, pages 318-319)

(As modified up to 31st January 1977).

An Act to Provide for the levy of a tax on certain forms of betting in the [⁰ State of Tamil Nadu].

Whereas it is necessary to make an addition to the public revenues of the [⁰ State of Tamil Nadu] and for that purpose to provide for the levy of tax on certain forms of betting. It is hereby enacted as follows:

⁰ These words substituted for the words “Province of Madras” by the Tamil Nadu Adaptation of Law Order 1970.

1. Short title, extent and commencement –

(1) This Act, may be called the (*Tamil Nadu) Betting Tax Act, 1935.

* These words were substituted for the word “Madras” by the Tamil Nadu Adaptation of Laws order, 1969, as amended by the Tamil Nadu Adaptation of Laws (Second Amendment) order, 1969.

(2) It extends to the whole of the [⁰ State of Tamil Nadu].

(3) (a) This section shall come into force at once.

(b) The remaining provisions of this Act shall come into force in the district of Chingleput Madras on the 15th day of November 1935.

(c) The [State Government] * may, by notification in the [⁰ Official Gazette] direct that all or any of the remaining provisions of this Act shall come into force in any other local are on such date as may be specified in such notification.

* The words “Provincial Government” were substituted for the words “Local Government” by the Adaptation Order of 1937 and the word “State” was substituted for “Provincial” by the Adaptation Order of 1950.

⁰ These words were substituted for the words “Fort St. George Gazette” by the adaptation order 1937.

2. Application of the Act and Savings :

(1) This Act shall apply only to betting at meetings for horse races and Pony races.

(2) Tamil Nadu Act III of 1888 Tamil Nadu Act III of 1930 – Nothing in this Act shall affect the provisions of the Madras City Police Act, 1888 or of the Tamil Nadu Gaming Act, 1930, regarding the time and place at which betting of horse-races may take place.

3. Definitions:

In this Act, unless there is anything repugnant in the subject or context.

- (a) “backer” includes any person who bets at a totalizator or with a bookmaker ;
- (b) “bet” includes wager ; and betting includes wagering ;
- (c) “bookmaker” means a person who carries on the business of making bets with the public in general ;
- (d) “director” means the person (whether an individual or corporate body or an association) primarily responsible for the holding of a race-meeting ;
- (e) “Prescribed” means prescribed by rules made under this Act ;
- (f) “race-meeting” means an assembly of persons for horse racing or pony-racing to which the public have access whether on payment or otherwise ; and
- (g) “totalizator” means any machine, instrument or contrivance for enabling persons to make bets with one another on the principle of a common pool.

4. **Levy of totalizator tax :** - (1) The [State Government]* may, by notification in the [° Official Gazette], from time to time, direct that a tax (herein-after referred to as the totalizator tax) shall be levied on backers in respect of all moneys paid by them into any totalizator by way of stakes or bets.

° These words were substituted for the words “Fort St. George Gazette” by the adaptation order 1937.

(2) Every notification issued under sub-section (1) shall specify the local area in which the rate at which, and the date from which, the totalizator tax shall be levied.

[+ Provided that the rate shall not exceed { * twenty-five percent } of every sum paid into the totalizator.]

+ This proviso was substituted for the original proviso by Sec. 2(1) of the Act XX of 1947.

* These words were substituted for the words "Twelve and half percent" by Act 6 of 1962.

(3). Such portion of the moneys paid into the totalizator as is equivalent to the amount of the totalizator tax calculated at the rate specified in the notification aforesaid shall be deemed to have been paid by the backer on account of the totalizator tax and to have been received by the director on behalf of the [* State Government]

* The words "Provincial Government " were substituted for the words "Local Government" by the Adaptation Order of 1937 and the word "State" was substituted for "Provincial" by the Adaptation order of 1950.

[4-A. Levy of Surcharge on totalizator tax :

(1) There shall be levied on the totalizator tax payable under this Act a surcharge at the rate of five percent of such totalizator tax.

(2) The provisions of this Act and the rules made there under shall, so far as may be apply in relation to the surcharge payable under sub-section (1) as they apply in relation to the totalizator tax payable under this Act.] @

@Section 4-A was inserted by Act 3 of 1973 with effect from 1st January 1972.

5. Levy of tax on bets made with bookmakers :

[(1) The State Government may, by notification in the Official Gazette, from time to time, direct that a tax (hereinafter referred to as the betting tax) shall be levied on every book maker in respect of all moneys paid or agreed to be paid to him by bakers in consequence of bets made in a place within the race enclosure which the director has, with the sanction of the State Government, set apart for the purpose of such betting] *

* This sub-section was substituted for the original sub-section by section 2 of Act XXX of 1958.

(2) Every notification issued under sub-section (1) shall specify the local area in which, the rate at which, and the date from which, the betting tax shall be levied.

[+ Provided that the rate shall not exceed (@ twenty-five percent) of every sum liable to betting tax under sub-section (1).]

+ This proviso was substituted for the original proviso by sec.2 of Act XXX of 1958.

@ These words were substituted for the words "Twelve and half percent" by Act 6 of 1962.

(3) The betting tax shall be collected, and paid to the [§ State Government] in such manner as may be prescribed.

§ The words "Provincial Government" were substituted for the words "Local Government" by the Adaptation Order of 1937 and the word "State" was substituted for "Provincial" by the Adaptation order of 1950.

[5-A. Levy of Surcharge on Betting Tax:

- (1) There shall be levied on the betting tax payable under this Act a surcharge at the rate of five percent of such betting tax.
- (2) The provisions of this Act and the rules made there under shall, so far as may be, apply in relation to the surcharge payable under sub-section (1) as they apply in relation to the betting tax payable under this Act.] *

*Section 5-A was inserted by Act 44 of 1971 with effect from 1st January 1972.

6. Accounts and returns : The director of every race-meeting at which betting takes place shall –

+ [(a) cause accounts to be kept in the prescribed manner of all sums paid into every totalizator used, and of all sums paid of agreed to be paid to every bookmaker by backers in consequence of bets made by them at such meeting];

+ substituted by Section 3 of Act XXX of 1958.

(b) forward at the time, in the manner, and to the officer prescribed in this behalf, a return showing the total amount of the moneys paid into every totalizator used at such meeting and whenever required, make over to the prescribed officer the amount of totalizator tax collected at such meeting ; and

(c) furnish such other reports and returns as may be prescribed.

7. Levy of tax in cases not falling under sec. 4 and 5 :

The director of every race-meeting held in any local area in respect of which a notification has not been issued under sec. 4 or sec. 5 shall pay to the *[State Government] by way of tax, in respect of such meeting, such amount not exceeding °[one thousand rupees] as may be prescribed.

* The words "Provincial Government" were substituted for the words "Local Government" by the Adaptation Order of 1937 and the word "State" was substituted for "Provincial" by the Adaptation order of 1950.

° These words were substituted for the words 'Five hundred rupees ' by Act 6 of 1962.

§ [7-A. Rounding off of tax or other sum :

The amount of tax or any other sum payable and the amount of refund due, under the provisions of this Act shall be rounded off to the nearest rupee and, for this purpose, where such amount contains a part of a rupee consisting of paise, then, if such part is fifty paise or more, it shall be increased to one rupee and if such part is less than fifty paise, it shall be ignored.]

§ Inserted by Act 9 of 1972 with effect from 1st April 1973.

8. Inspectors :

(1) The * [State Government] may appoint persons, and may authorize them to appoint other persons, for any local area, to inspect race meetings and the accounts of betting thereat.

* The words "Provincial Government" were substituted for the words "Local Government" by the Adaptation Order of 1937 and the word "State" was substituted for "Provincial" by the Adaptation order of 1950.

(2) XLV of 1860 : Every person appointed under sub-section (1) shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code and shall be given free access to every race-meeting held in the local area for which he has been appointed and to every place where betting is conducted at such race meeting, and to all books of account relating to such betting, whether such books belong to the director or to any book-maker.

9. Exemptions :

The [State Government]* may by notification in the @[Official Gazette] exempt any race-meeting from :

- (a) The totalizator tax leviable under Sec.4 or
- (b) The betting tax leviable under Sec.5, or
- (c) The tax leviable under Sec.7.

* The words "Provincial Government" were substituted for the words "Local Government" by the Adaptation Order of 1937 and the word "State" was substituted for "Provincial" by the Adaptation order of 1950.

@ The words by 'by notification in the Official Gazette" were omitted by Act 6 of 1962.

10. Power of State Government to make rules :

(1) The [State Government] may, [°] make rules :-

(a) with reference to all matters expressly required or allowed by this Act to be Prescribed, and

(b) to carry out all or any of the purposes of this Act and not inconsistent therewith.

(3) In particular and without prejudice to the generality of the foregoing power, [State Government]* shall have power to make rules regarding the manner in which any tax payable under this Act may be recovered.

* The words "Provincial Government" were substituted for the words "Local Government" by the Adaptation Order of 1937 and the word "State" was substituted for "Provincial" by the Adaptation order of 1950.

° These words were substituted for the words "Fort St. George Gazette" by the adaptation order 1937.

+ [(3) All rules made under this Act shall be published in the Official Gazette and unless they are expressed to come into force on a particular day, shall come into force on the day on which they are so published.

+ Sub-section (3) and (4) inserted by Act 6 of 1962.

(4) Every rule made under this Act shall, as soon as possible after it is made, be placed on the table of both Houses of Legislature, and if, before the expiry of the session in which it is so placed or the next session, both Houses agree in making any modification in any such rule or both Houses agree that the rule should not be made. The rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.]

**PROVISIONS OF AMENDMENT ACT NOT
INCORPORATED IN THE MAIN ACT**

ACT 3 OF 1973

**(Received the assent of the Governor on the
29th December 1972)**

3. Validation :

Notwithstanding anything contained in any judgment, decree or order of any Court or other authority, any surcharge on totalizator tax levied or collected or purporting to have been levied or collected under the principal Act, after the 1st January, 1972 and before the 21st November, 1972 shall, for all purposes be deemed to be and to have always been validly levied or collected in accordance with law as if section 2 had been in force at all material times when such surcharge was levied or collected and accordingly :-

- (a) All acts, proceedings or things done or taken by any authority, officer or person in connection with the levy or collection of such surcharge shall, for all purposes, be deemed to be and to have always been done or taken in accordance with law :
- (b) No suit or other proceedings shall be maintained or continued in any Court for the refund of any surcharge so paid ;
- (c) No Court shall enforce any decree or order directing the refund of any surcharge so paid.

4. Repeal :

The Tamil Nadu Betting Tax (Second Amendment Ordinance, 1972 (Tamil Nadu ordinance 4 of 1972), is hereby repealed.