



ABSTRACT

Entertainment Tax Compensation Fund for 2011-12 - Release of Funds –Orders - Issued.

Municipal Administration and Water Supply (MA.4) Department

G.O. (Ms.) No: 73

Dated: 23.05.2011

Read:

- (1) G.O.(Ms.) No.72, Commercial Taxes & Registration Department, Dated: 22.07.2006
- (2) G.O. (Ms.) No.75, Municipal Administration and Water Supply (MA.4) Department, Dated: 01.06.2007
- (3) G.O. (Ms.) No.154, Municipal Administration and Water Supply (MA.4) Department, Dated: 12.08.2008
- (4) G.O. (Ms.) No.243, Municipal Administration and Water Supply (MA.4) Department, Dated: 11.12.2009

Order:-

In the Government Order first read above, the Government have announced full exemption of Entertainment Tax to the Tamil films named in Tamil. Due to the above, the Local Bodies are losing their income. In order to compensate the loss to Urban Local Bodies, the Government have provided a sum of Rupees 30.00 crores (Rupees Thirty crores only) every year from 2006-2007 in the Budget under the Commercial Taxes Department head of account as Entertainment Tax Compensation Fund and the amount is being apportioned in the ratio of 90:10 to Urban Local Bodies and Rural Local Bodies.

2. In the Government Order second read above, the Government have sanctioned a sum of Rs 27.00 crores (Rupees Twenty seven crores only) to the Municipalities, Corporations and Town Panchayats under the control of Municipal Administration and Water Supply Department. It has also been ordered that the Estimating Reconciling and Controlling Officer shall be the Secretary, Municipal Administration and Water Supply Department.

3. In the Government Order third read above, the Government have sanctioned a sum of Rs. 27.00 crores (Rupees Twenty seven crores only) for the year 2008 – 2009 to the Urban Local Bodies.

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4. In the Government Order fourth read above, the Government have sanctioned a sum of Rs. 27.00 crores (Rupees Twenty seven crores only) for the year 2009 – 2010 to the Urban Local Bodies.

5. The Accountant General has pointed out that the Zonal Assistant Commissioners of Commercial Taxes had released funds to the local bodies from the Commercial Taxes Department head of account during the year 2007-2008 and 2008-2009 and the Municipal Administration and Water Supply Department had also sanctioned compensation to local bodies during the year 2007-2008, 2008-2009 and 2009-2010 from the Commercial Taxes Department head of account. It has been observed that there is an over drawal by the Municipal Administration and Water Supply Department for the above said years, when actually the compensation has been meted out by the Commercial Taxes Department.

6. The year wise expenditure incurred under the head of account are as follows:-

(Rupees in thousands)

Year (1)	Head of Account (2)	Budget Provision (3)	Expenditure incurred (4)
Revised Estimate for 2006-2007	3604 – 00 – 103 – AC -5123	300000	61707
Budget Estimate for 2007-2008	3604 – 00 – 103 – AC -5123	300000	483953
Budget Estimate for 2008-2009	3604 – 00 – 103 – AC -5123	300000	426796
Budget Estimate for 2009-2010	3604 – 00 – 103 – AC -5123	300000	343725

7. The year wise excess amount utilized by Municipal Administration and Water Supply Department are as follows:-

(Rs. in thousands)

Sl. No.	Subject	2006-2007	2007-2008	2008-2009	2009-2010	AC upto Jan ' 2011	Total
1	Amount compensated by the CT Dept for ULB's (90%)	55536	138558	87116	12353	1893	295456
2	Amount drawn by the MAWS Department	0	300000	300000	300000	0	900000
3	Amount due for the MAWS Department	180000	270000	270000	270000	270000	1260000
4	Total amount gone to the MAWS Department	55536	438558	387116	312353	1893	1195456
5	Amount eligible for the year 2010-11						64544

8. Considering the eligible compensation from 2006 -2007 onwards and also taking into account, the excess amount drawn by this Department, the Government after careful examination, sanction a sum of Rs. 6,45,44,000/- (Rupees Six crore Forty Five lakhs and Forty Four thousand only) as Entertainment Tax Compensation Fund for the year 2010 -2011. Necessary Funds have been provided in BE 2011-2012. The above said amount will be placed at the disposal of Chairman and Managing Director, Tamil Nadu Urban Finance and Infrastructure Development Corporation (TUFIDCO)

9. The Commissioner of Municipal Administration is hereby authorised to draw and disburse the grant.

10. The amount sanctioned in para 8 above shall be credited to the following head of account :

"3604.00 Compensation and Assignments to Local Bodies and Panchayat Raj Institutions – 103 Entertainment Tax – I Non-plan – AC Compensation to Urban Local Bodies in lieu of waiver of Entertainment Tax -51 Compensation – 02 Other Compensations (DPC 3604 – 00 - 103 –AC– 5127) "

11. The amount sanctioned on para 8 above shall be released in cash and debited to the following head of account:

"8443.00 Civil Deposits – 800 Other Deposits – BW Deposits of Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited – (TUFIDCO)
DPC 8443 – 00 – 800 – BW – 000C (Receipts)"

12. This order issues with the concurrence of Finance Department vide its U.O.No.20400 /MAWS/2011, Dated: 18.04.2011.

(By Order of the Governor)

S.KARUTHIAH PANDIAN
SECRETARY TO GOVERNMENT

To
The Secretary to Government, Rural Department and Panchayat Raj Department,
Chennai – 600 009.
The Chairman and Managing Director,
Tamil Nadu Urban Finance and Infrastructure Development Corporation, Chennai – 600 035.
The Commissioner of Municipal Administration, Chennai – 600 005.
The Commissioner, Corporation of Chennai, Chennai – 600 003.
The Director of Town Panchayats, Chennai – 600 108.
The Pay and Accounts Officer (east), Chennai – 600 005.
The Pay and Accounts Officer, Chennai – 600 009.
The Accountant General, Chennai – 600 018/600 009.
The Accountant General, Chennai – 600 018 (in name cover)

p.t.o

Copy to:-

The Private Secretary to Secretary to Government,
Municipal Administration and Water Supply Department, Chennai – 600 009.

The Private Secretary to Secretary to Government,
Commercial Taxes and Registration Department, Chennai – 600 009.

The Private Secretary to Secretary to Government,
Finance Department, Chennai – 600 009.

*Finance (MA&WS) Department, Chennai - 600 009.

Finance (Revenue / Rural Development) Department, Chennai - 600 009.

MA&WS (MA-II/Budget / OP-II) Department, Chennai – 600 009.

SF/SC

/Forwarded by Order/



(R. BALAJI)

Under Secretary to Government,
Under Secretary to Government

M.A. & W.S. Department
Secretariat, Chennai - 600 009