

The Union Duties of Excise (Distribution) Act, 1979

(ACT NO. 24 OF 1979)

[*As on the* 1*st October*, 2026]

LIST OF AMENDING ACTS

1. The Union Duties of Excise (Distribution) Amendment Act, 1984 (27 of 1984).
2. The Union Duties of Excise (Distribution) Amendment Act, 1985 (26 of 1985).
3. The Union Duties of Excise (Distribution) Amendment Act, 1989 (17 of 1989).
4. The Union Duties of Excise (Distribution) Amendment Act, 1990 (13 of 1990).
5. The Union Duties of Excise (Distribution) Amendment Act, 1995 (31 of 1995).

———

LIST OF ABBREVIATIONS USED

Cl., cls.	. . . . .	*for*	Clause, clauses.
Ins.	. . . . .	„	Inserted.
Notifn.	. . . . .	„	Notification.
S., ss.	. . . . .	„	Section, sections.
Sch.	. . . . .	„	Schedule.
Subs.	. . . . .	„	Substituted.
w.e.f.	. . . . .	„	with effect from.

IndiaCode

THE UNION DUTIES OF EXCISE (DISTRIBUTION) ACT, 1979

ARRANGEMENT OF SECTIONS

SECTIONS

1. Short title and commencement.
2. Definition.
3. Payment to States of sums equivalent to a part of the net proceeds of Union duties of excise and distribution of sums among them.
4. Payment to be charged on the Consolidated Fund of India.
5. Power to make rules.
6. Repeal.

IndiaCode

THE UNION DUTIES OF EXCISE (DISTRIBUTION) ACT, 1979

ACT NO. 24 OF 1979

[20*th May*, 1979.]

An Act to provide for the payment out of the Consolidated Fund of India of sums equivalent to a part of the net proceeds of certain Union duties of excise to the States to which the law imposing the duty extends and for the distribution of those sums among those States in accordance with the principles recommended by the Finance Commission in its [1][report dated the 25th day of November, 1994].

BE it enacted by Parliament in the Thirtieth Year of the Republic of India as follows:—

1. Short title and commencement.—(*1*) This Act may be called the Union Duties of Excise (Distribution) Act, 1979.

(*2*) It shall be deemed to have come into force on the 1st day of April, 1979.

[2]**[2. Definition.**—In this Act, the expression "distributable Union duties of excise" means [3][forty-seven and a half per cent.] of the net proceeds of Union duties of excise, levied and collected under the Central Excises and Salt Act, 1944 (1 of 1944) and any other law for the levy and collection of such duty, unless the law earmarks the proceeds of the duty for any special purpose.

Explanation.—The expression "net proceeds" has the same meaning as in clause (1) of article 279 of the Constitution.

[4]**[3. Payment to States of sums equivalent to a part of the net proceeds of Union duties of excise and distribution of sums among them.**—During the financial year commencing on the 1st day of April, 1995, and each of the four succeeding financial years, there shall be paid, out of the Consolidated Fund of India, to the States, sums equivalent to the distributable Union duties of excise levied and collected in that year and,—

(*a*) sixteen-nineteenth of the sums so payable during each such financial year shall be distributed to each of the States specified in column (*1*) of Table I below in such percentage as is set out against it in column (*2*) thereof; and

(*b*) three-nineteenth of the sums so payable during each such financial year shall be distributed to each of the States specified in column (*1*) of Table II below in such percentage as is set out against it in column (*2*) thereof with respect to that financial year:—

TABLE I

State	Percentage
(1)	(2)
Andhra Pradesh	8.465
Arunachal Pradesh	0.170
Assam	2.784
Bihar	12.861
Goa	0.180
Gujarat	4.046

1. Subs. by Act 31 of 1995, s. 2, for "second report dated the 18th day of December, 1989" (w.e.f. 1-4-1995).
2. Subs. by Act 17 of 1989, s. 3, for sections 2 and 3 (w.e.f. 1-4-1989).
3. Subs. by Act 31 of 1995, s. 3, for "forty-five per cent." (w.e.f. 1-4-1995).
4. Subs. by s. 4, *ibid*., for section 3 (w.e.f. 1-4-1995).

(1)	(2)
Haryana	1.238
Himachal Pradesh	0.704
Jammu and Kashmir	1.097
Karnataka	5.339
Kerala	3.875
Madhya Pradesh	8.290
Maharashtra	6.126
Manipur	0.282
Meghalaya	0.283
Mizoram	0.149
Nagaland	0.181
Orissa	4.495
Punjab	1.461
Rajasthan	5.551
Sikkim	0.126
Tamil Nadu	6.637
Tripura	0.378
Uttar Pradesh	17.811
West Bengal	7.471

IndiaCode

TABLE II

State	Financial year and percentage				
(1)	(2)				
	1995-96	1996-97	1997-98	1998-99	1999-2000
Andhra Pradesh	12.069	7.988	0.000	0.000	0.000
Arunachal Pradesh	3.410	4.300	5.871	6.224	6.667
Assam	8.543	9.836	11.849	10.748	9.290
Bihar	6.434	2.965	0.000	0.000	0.000
Goa	0.973	1.058	1.161	0.917	0.604
Himachal Pradesh	8.816	10.744	14.057	14.230	14.338
Jammu and Kashmir	13.366	16.491	21.985	22.741	23.700
Manipur	3.930	4.891	6.602	6.917	7.348
Meghalaya	3.590	4.403	5.815	5.994	6.130
Mizoram	3.676	4.628	6.278	6.784	7.074

(*1*)			(*2*)		
Nagaland	5.818	7.417	10.247	11.072	12.025
Orissa	4.815	5.248	4.934	2.773	0.680
Rajasthan	0.835	0.000	0.000	0.000	0.000
Sikkim	1.199	1.473	1.938	1.982	2.055
Tripura	5.465	6.807	9.263	9.618	10.089
Uttar Pradesh	17.061	11.751	0.000	0.000	0.000.]]

4. Payment to be charged on the Consolidated Fund of India.—The expenditure on the payments in pursuance of section 3 shall be charged on the Consolidated Fund of India.

5. Power to make rules.—(*1*) The Central Government may, by notification in the Official Gazette, make rules providing for the time at which and the manner in which, any payments under this Act are to be made, for the making of adjustments between one financial year and another and for any other incidental or ancillary matters.

(*2*) Every rule made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the 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 of annulment shall be without prejudice to the validity of anything previously done under that rule.

6. Repeal.—The Union Duties of Excise (Distribution) Act, 1962 (3 of 1962), shall, as from the 1st day of April, 1979 stand repealed.

Indiacode

STATEMENT OF OBJECTS AND REASONS

At present, a sum equivalent to twenty per cent. of the annual net proceeds of Union duties of excise, excluding cesses levied under special Acts and earmarked for special purposes, is paid to the States and distributed among them in the percentages which the Sixth Finance Commission had recommended. The Seventh Finance Commission has recommended that—

(*i*) forty per cent. of the net proceeds of Union duties of excise, other than on generation of electricity, levied and collected during each of the years 1979-80 to 1983-84, excluding cesses levied under special Acts and earmarked for special purposes, should be paid out of the Consolidated Fund of India to the States and distributed among them in the percentages recommended by the Commission; and

(*ii*) during each of the years 1979-80 to 1983-84, the entire net proceeds of the Union duties of excise on generation of electricity should be paid out of the Consolidated Fund of India to each State in an amount equal to the collection in or attributable to that State.

This Bill is intended to give effect to item (*i*) of the above recommendation of the Commission. Item (*ii*) is being dealt with in another Bill.

NEW DELHI; CHARAN SINGH.

The 19*th March*, 1979.

IndiaCode