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The Provisional Collection of Taxes Act, 2023

(ACT NO. 50 OF 2023)

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

THE PROVISIONAL COLLECTION OF TAXES ACT, 2023

ARRANGEMENT OF SECTIONS

SECTIONS.

1. Short title.
2. Definition.
3. Power of Central Government to make declaration.
4. Effect of declarations under this Act, and duration thereof.
5. Refunds to be made in certain cases.
6. Repeal.

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THE PROVISIONAL COLLECTION OF TAXES ACT, 2023

ACT NO. 50 OF 2023

[28*th December*, 2023.]

An Act to provide for the immediate effect for a limited period of provisions in Bills relating to the imposition or increase of duties of customs or excise.

BE it enacted by Parliament in the Seventy-fourth Year of the Republic of India as follows:—

1. Short title.—This Act may be called the Provisional Collection of Taxes Act, 2023.

2. Definition.—In this Act, a "declared provision" means a provision in a Bill in respect of which a declaration has been made under section 3.

3. Power of Central Government to make declaration.—Where a Bill to be introduced in Parliament on behalf of the Government provides for the imposition or increase of a duty of customs or excise with or without change in tariff classification, the Central Government may cause to be inserted in the Bill a declaration that it is expedient in the public interest that any provision of the Bill relating to such imposition or increase shall have immediate effect under this Act.

4. Effect of declarations under this Act, and duration thereof.—(*1*) A declared provision shall have the force of law immediately on the expiry of the day on which the Bill containing it is introduced.

(*2*) A declared provision shall cease to have the force of law under the provisions of this Act—

(*a*) when it comes into operation as an enactment, with or without amendment;

(*b*) when the Central Government, in pursuance of a motion passed by Parliament, directs, by notification in the Official Gazette, that it shall cease to have the force of law; or

(*c*) if it has not already ceased to have the force of law under clause (*a*) or clause (*b*), then on the expiry of the seventy-fifth day after the day on which the Bill containing it was introduced.

5. Refunds to be made in certain cases.—(*1*) Where a declared provision comes into operation as an enactment in an amended form before the expiry of the seventy-fifth day after the day on which the Bill containing it was introduced, refunds shall be made of all duties collected which would not have been collected if the provision adopted in the enactment had been the declared provision:

Provided that the rate at which refunds of any duty may be made under this sub-section shall not exceed the difference between the rate of such duty proposed in the declared provision and the rate of such duty in force when the Bill was introduced.

(*2*) Where a declared provision ceases to have the force of law under clause (*b*) or clause (*c*) of sub-section (*2*) of section 4, refunds shall be made of all duties collected which would not have been collected if the declaration in respect of it had not been made.

6. Repeal.—The Provisional Collection of Taxes Act, 1931(16 of 1931) is hereby repealed.

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STATEMENT OF OBJECTS AND REASONS

The Provisional Collection of Taxes Bill, 2023 provides for giving immediate effect for a limited period to provisions in Bills relating to the imposition or increase of duties of customs or excise, with or without change in tariff classification. The Bill also provides for the repeal of the Provisional Collection of Taxes Act, 1931.

2. The Bill seeks to achieve the above objectives.

NIRMALA SITHARAMAN.

NEW DELHI;
The 5*th December*, 2023.

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