

## **The Madhya Pradesh Gramin Avsanrachna Tatha Sadak Vikas Adhiniyam, 2005**

Act 1 of 2005

**Keyword(s):**

Annual Value of Mineral Bearing Land, Competent Authority, Appellate Authority, Coal Bearing Land, Mineral Bearing Land, Proceeds Tax, Tax

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# **THE MADHYA PRADESH GRAMIN AVSANRACHNA TATHA SADAK VIKAS ADHINIYAM, 2005**

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# THE MADHYA PRADESH GRAMIN AVSANRACHNA TATHA SADAK VIKAS ADHINIYAM, 2005

## **An Act further to provide for additional resources for development of infrastructure and roads in rural areas with special emphasis to backward and mining areas of the State.**

Be it enacted by the Madhya Pradesh Legislature in the Fifty-sixth year of the Republic of India as follows: -

### **Short title, extent and commencement.**

1. (1) This Act may be called the Madhya Pradesh Gramin Avsanrachna Tatha Sadak Vikas Adhiniyam, 2005.
- (2) It shall extend to the whole for the State of Madhya Pradesh.
- (3) It shall come into force on such date as the State Government may, by notification, appoint.

### **Definitions.**

2. In this Act, unless the context otherwise requires,-
  - (a) "annual value of mineral bearing land" in relation to a financial year, means one-half of the value of mineral produced from mineral bearing land during the two years immediately preceding that financial year, the value of mineral being that as could have been fetched by the entire production of mineral during the said two immediately preceding years, has the owner of such mineral bearing land sold such mineral at the price or prices excluding the amount of tax, fee, duty, royalty, crushing charge, washing charge, transport charge or any other amount as may be prescribed, that prevailed on the date immediately preceding the first day of that financial year.

**Explanation-I.**-Where different prices are prevailing on the date immediately preceding the first date of that financial year for different grades or qualities of mineral, the value of mineral of each grade or quality produced during the two years immediately preceding that financial year shall be determined accordingly.

**Explanation-II.**-Where no prices of mineral are available on the date immediately preceding the first date of that financial year, the price or prices of mineral shall be determined by the State Government, in such manner as may be prescribed;

- (b) "competent authority" means the authority as may be prescribed;
- (c) "appellate authority" means the authority as may be prescribed;
- (d) "coal bearing land" means any land acquired or declared as such from time to time under any law for the purpose of obtaining coal;
- (e) "mineral bearing land" means any land which bears minerals, as defined in clause (a) of Section 3 of the Mines and Mineral (Development and Regulation) Act, 1957 (67 of 1957), and held for carrying on mining operation and includes coal bearing land;
- (f) "proceeds of tax" means the proceeds of tax levied under Section 3;
- (g) "tax" means the rural infrastructure and roads development tax levied under Section 3; and
- (h) "year" means the financial year.

**Levy of tax.**

3. (1) On and from commencement of this Act, there shall be levied and collected a rural infrastructure and roads development tax on all mineral bearing land in the manner hereinafter provided.

- (2) The rural infrastructure and roads development tax shall be levied annually on all mineral bearing land at such rate, not exceeding twenty percentum of the annual value of such mineral bearing land, as the State Government may, by notification, fix in that behalf, and different rates may be fixed for different mineral bearing land :

Provided that where in case of any mineral bearing land, there is no production of mineral for two consecutive years or more, such land shall be liable for levy of tax at such rate, as may be prescribed :

Provided further that the State Government shall not enhance the rate of tax in respect of any such mineral bearing land more than once during any period of three years.

- (3) The State Government, before fixing the rate of tax under sub-section (2), shall appoint a committee, In such manner as may be prescribed who shall recommend to the State Government the rate at which the tax may be levied.
- (4) Every notification issued under sub-section (2) shall be laid on the table of the Legislative Assembly.

#### **Payment and recovery of tax.**

4. (1) The tax payable under sub-section (2) of Section 3 in respect of mineral bearing land shall be paid by the person, who holds such land, to the State Government in such manner, at such interval and by such date or dates as may be prescribed:

Provided that where any person holds mineral bearing land for more than one mineral, the tax shall be paid by him in such manner as may be determined by rules made under this Act.

- (2) Every holder of a mineral bearing land shall be liable to pay, by way of penalty in default of payment of tax payable by him under sub-section (1) for any period by the prescribed date, an amount not exceeding three times of the tax so payable by him for that period:

Provided that the competent authority shall give the holder of mineral bearing land a reasonable opportunity of being heard before imposition of such penalty.

- (3) The tax payable under sub-section (1) shall be assessed by the competent authority in the prescribed manner.
- (4) Recovery of tax assessed under sub-section (3) or refund of any amount of such tax found to have been paid in excess after assessment shall be made in such manner, as may be prescribed.
- (5) The amount of tax assessed under sub-section (3) and penalty, if any, imposed, if not paid, shall be recovered by the competent authority as an arrear of land revenue.

#### **Appeal.**

5. (1) Any person aggrieved by any order of assessment passed by the competent authority may prefer an appeal before the appellate authority within thirty days from the date of receipt of the copy of such order and the appellate authority may pass such order thereon as it may deem just and proper:

Provided that the appellate authority may admit the appeal after the period so specified if it is satisfied that the appellant had sufficient cause for not preferring the appeal within the said period:

Provided further that no appeal shall be entertained by the said authority unless the appellant deposits one-half of the tax due against which the appeal has been preferred.

- (2) Any order passed by the competent authority, subject to the order passed in appeal, if any, shall be final.

**Appointment of person to assist competent authority.**

6. (1) The State Government or the competent authority may appoint any person to assist the competent authority.
- (2) Any powers, duties or functions of the competent authority may be delegated to any person appointed under sub-section (1) in such manner and subject to such conditions as may be prescribed.

**Separate head of account for tax proceeds.**

7. The proceeds of the tax shall be kept in a separate head of account in the State budget which shall be administered in such manner as may be prescribed.

**Utilisation of tax proceeds.**

8. The proceeds of the tax shall be utilized by the State Government for improvement and development of infrastructure and roads in rural areas, with special emphasis to backward areas and mining areas, for which, the State Government shall take appropriate measures by drawing up suitable infrastructure development programmes.

**Competent authority and other persons to be public servant.**

9. The competent authority and every person appointed under sub-section (1) of Section 6 duly authorized to discharge the powers and functions of the competent authority under this Act shall be deemed to be public servants within the meaning of Section 21 of the India Penal Code, 1860 (45 if 1860).

**Protection of action taken in good faith.**

10. No suit, prosecution or other legal proceedings shall lie against the State Government or competent authority or person appointed under sub-section (1) of Section 6 or the appellate authority in respect of anything which is in good faith done or intended to be done in pursuance of provisions of this Act or rules or order made thereunder.

**Power to make rules.**

11. (1) The State Government may, by notification, make rules for carrying out the purposes of this Act.
- (2) In particular, and without prejudice to the generality of the foregoing powers, such rules may provide for all or any of the following matters, namely: -
  - (a) In the matter of determination of annual value of mineral bearing land under clause (a) of Section 2;
  - (b) Appointment of competent authority under clause (b) of Section 2;
  - (c) Appointment of appellate authority under clause (c) of section 2;
  - (d) Determination of tax under proviso to sub-section (2) of Section 3 in respect of mineral bearing land in which mineral has not been produced;
  - (e) Appointment of committee under sub-section (3) of the Section 3;
  - (f) Submission of returns and other relevant information as may be necessary for the purposes of sub-section (1) of Section 4;
  - (g) Payment of tax where person holds mineral bearing land for more than one mineral under proviso to sub-section (1) of Section 4;
  - (h) Assessment of tax by the competent authority sub-section (3) of Section 4;
  - (i) Delegation of powers, duties and functions of the competent authority under sub-section (2) of Section 6; and
  - (j) All other matters which may be, or are required to be, prescribed under this Act.



- (3) In making any rule under this Section, the State Government may provide that a breach thereof shall be punishable with fine which may extend to five thousand rupees and where the breach is a continuing one, with further fine which may extend to five hundred rupees, for every day after the first during which the breach continues.
- (4) All rules made under this Act shall be laid on the table of the Legislative Assembly.

**Power to remove difficulties.**

12. If any difficulty arises in giving effect to the provisions of this Act, the State Government may, by order, not inconsistent with the provisions of this Act, remove the difficulty:

Provided that no such order shall be made after the expiry of a period of two years from the date of commencement of this Act.

