

THE AZAD JAMMU AND KASHMIR LOCAL COUNCIL  
(IMPOSITION OF TAXES) RULES, 1963.

(Passed under Government Order No. 478/63,  
dated 19th November, 1963)

NOTIFICATION

In exercise of the powers conferred by the sections 57, 58, 59 and 60 of the Azad Kashmir Basic Democracies Act, the Azad Government of the State of Jammu and Kashmir is pleased to make the following rules, namely:—

1. Short title and commencement:- (1) These rules may be called the Azad Jammu and Kashmir Local Councils (Imposition of Taxes) Rules, 1961.

(2) They shall come into force at once.

2. Definitions:- In these rules, unless the context otherwise requires, the following expressions shall have the meanings hereby respectively assigned to them that is to say:—

(a) "Inhabitant" means any person ordinarily residing or carrying on business or owning or occupying immovable property in the area under the jurisdiction of a Local Council;

(b) "Local Council" means a Union Council, a Town Committee and a District Council;

(c) "Taxation proposal" means a proposal framed by a local council for the imposition, abolition or suspension of a tax, or an increase or reduction in the rate of a tax; and

(d) "Year" means the year commencing on the 1st Day of July.

3. Preliminary taxation proposals:- (1) While framing the annual budget or the revised budget of the Local Council the Chairman of the Local Council shall review the financial position of the local Council, and if in his opinion, the financial position calls for any change in the tax structure, he shall formulate taxation proposals and incorporate them in an Appendix to the budget.

(2) While sanctioning the annual budget or the revised budget, as the case may be, the Local Council shall decide whether any of the taxation proposals formulated under sub-rule (1) shall be dropped or proceeded without modifications or with such modifications as may be approved by the Local Council.

(3) The Controlling Authority, while considering the annual budget or the revised budget, as the case may be, may confirm, modify, or reverse any decision of the Local Council taken under Sub-rule (2).

Publication of Preliminary taxation proposals:- (1)

Immediately after the annual budget or the revised budget, as the case may be, has been sanctioned in accordance with the provisions of the section 49 of the A. K. Basic Democracies Act, the Chairman shall issue a public notice in respect of each taxation proposal to be proceeded with under rule 3. Every such notice shall specify:-

- (a) the main features of the taxation proposal;
- (b) the class of persons or description of property or both, affected thereby;
- (c) the amount of rate of tax to be imposed, increased or reduced;
- (d) the system of assessment to be adopted;
- (e) any exemptions proposed to be made ;
- (f) additional income likely to be raised by the imposition of the tax or the increase in the tax and the purpose on which this additional income is proposed to be spent;
- (g) the loss of income likely to be caused by the abolition or suspension of the tax or reduction in the rate of the tax and the manner in which this short fall in income is proposed to be made up;
- (h) Justification of the taxation proposal; and
- (i) any other particulars considered necessary for the information of the public.

(2) Alongwith the public notice under sub-rule (1), the Chairman of the Local Council shall publish a taxation programme specifying :-

- (a) the date, which shall not be less than thirty days from the publication of the notice, by which objection or suggestions to the preliminary taxation proposal may be made to the Local Council by the inhabitants;
- (b) the date or dates fixed for the hearing of objections or suggestions received under Clause (a);
- (c) the date by which the sub-committee appointed under sub-rule (2) of rule 5 for hearing the objections and suggestions shall submit its report to the Local Council;
- (d) the date of the special meeting of the Local Council at which the report of the sub-committee shall be considered; and
- (e) the date by which the final taxation proposal shall be sent to Government or the Commissioner for sanction, as the case may be.

5. Hearing of objections and suggestions to the preliminary taxation proposal:- (1) All objections and suggestions received from the inhabitants shall be entered in a register maintained for the purpose.

(2) The Local Council shall appoint a sub-committee consisting of the Chairman and other members as may be specified to examine the objections and suggestions.

(3) On the date or dates fixed for the hearing of objections and suggestions, the sub-committee shall hear the same in public and shall afford all possible facilities to the persons making them to present their case.

(4) The Sub-Committee shall, on the close of the hearing of objections and suggestions, draw up and send to the Local Council by the date specified for the purpose in the taxation programme, a detailed report showing :

- (a) the salient features of the preliminary taxation proposals ;
- (b) the date of issue of the public notice under sub-rule (1), of

tule 4 ;

(c) the last date for the receipt of objections and suggestions ;

(d) the number and nature of objections and suggestions received within the specified period;

(e) the manner in which the objections and suggestions were heard;

(f) the findings of the sub-committee in respect of each objection suggestion heard by it;

(g) the recommendations of the sub-committee with regard to the taxation proposal, and whether such recommendations are in accordance with the model Tax Schedule, if any ; and

(h) financial implications involved in such recommendations.

Finalization of taxation proposals:- (1) On the date specified for the purpose in the taxation programme the Chairman shall present the report of the sub-committee constituted under sub-tule (2) of rule 5 to a special meeting of the Local Council for considerations.

(2) The Local Council shall consider the report of the sub-committee and, for reasons to be recorded:

(a) approve it with or without, modifications; or

(b) drop the taxation proposal.

(3) If the Local council decides to drop the taxation proposal, the Chairman shall inform the Controlling Authority about the decision of the Local Council.;

(4) If the local council decides to proceed with the taxation proposal with or without modifications the Chairman shall send the taxation proposal as approved by the Local Council to:-

(a) the Commissioner, endorsing copies to the Collector of the district and Government in case it be a District Council;

(b) the Collector of the district, endorsing copies of the Commissioner in case it be a Union Council or a Town

Committee.

(5) The Taxation proposal shall be accompanied by the namely:-

(a) a copy of the report of the sub-committee drawn up, under sub-rule (4) of rule 5;

(b) a copy of the resolution passed at the special meeting of the Local Council under sub-rule (2); and

(c) the draft notification for notifying the taxation proposal.

(6) As soon as the taxation proposal has been forwarded to the Commissioner or the Collector under sub-rule (4), the Chairman shall publish a public notice defining the main features of the final proposal and providing that any inhabitant may submit his objections or suggestions in writing to the Commissioner in the case of District Council, and to the Collector of the District in the case of any other local council within fifteen days of the publications of such notices.

(7) Within thirty days of receipt of the taxation proposal under Clause (b) of sub-rule (4), the Collector shall submit his comment thereon to the Commissioner. If the Collector fails to submit his comments to the Commissioner within the said period of thirty days, it shall be presumed that the Collector has no comments to offer.

(8) Within thirty days of the receipt of the taxation proposal under Clause (a) of sub-rule (4), the Commissioner shall submit his comments thereon to Government. If the Commissioner fails to submit his comments to Government within the period of thirty days, it shall be presumed that the commissioner has no comments to offer.

7. Powers of Government and the Commissioner in regard to final taxation proposal:- (1) Government in the case of a District Council, and the Commissioner in the case of Town Committee or a Union Council, after considering the taxation proposal of the Local Council and the comments, if any, received under sub-rules (7) and (8) of rule 6 may :

(a) sanction it without modifications or with such modifications as may be specified; or

(b) sanction it subject to the condition that the proceeds from the tax or increase in the tax shall be applied for a purpose to the specified ; or

(c) refuse to sanction the proposal giving reasons thereof.

(2) The taxation proposal sanctioned under sub-rule (1) shall be notified in the official Gazette, and shall come into force on the first day of January or the first day of July next following, as may be specified in the notification.