

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF EXPENDITURE  
FINANCE COMMISSION DIVISION

**LOK SABHA**  
**UNSTARRED QUESTION NO. 2592**

Answered on March 17, 2017/Phalguna 26, 1938 (Saka)

**Professional Taxes**

2592. SHRI ASADUDDIN OWAISI:

Will the Minister of FINANCE be pleased to state:

- (a) whether under Constitution Municipal Bodies are empowered to levy professional taxes but the ceiling is fixed by Union Government and if so, the details thereof;
- (b) whether to give a free hand to States to generate their revenue propose to give powers to States to decide ceiling of professional taxes;
- (c) if so, the details thereof;
- (d) whether many States have demanded for such change in the Constitution and if so, the details thereof; and
- (e) the time by which a final decision is likely to be taken by amending the constitution to this effect in consultation with States?

**ANSWER**

THE MINISTER OF STATE FOR FINANCE  
(SHRI ARJUN RAM MEGHWAL)

(a) As per the Article 276 of the Constitution of India, Legislature of a State can enact legislation relating to professional tax for the benefit of the State or a municipality, district board, local board or other local authority therein, subject to the upper ceiling fixed in the Constitution.

(b) to (e): No such proposal is under consideration.