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THE PUNJAB HORSE-RACE BETTING TAX ACT, 1958

(IV of 1958)

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TEXT

¹THE ²[PUNJAB] HORSE-RACE BETTING TAX ACT, 1958

(IV of 1958)

[10th April, 1958]

An Act

to consolidate the law relating to the levy of taxes on horse-race betting in ³[the Punjab].

Preamble.— WHEREAS it is expedient to consolidate the law relating to the levy of taxes on horse-race betting on a uniform basis throughout ⁴[the Punjab];

It is hereby enacted as follows:—

1. Short title, extent and commencement.— (1) This Act may be called the ⁵[Punjab] Horse-race Betting Tax Act, 1958.

⁶[(2) It extends to the whole of the Province of ⁷[the Punjab], except the Tribal Areas.]

(3) It shall come into force at once.

2. Definitions.— In this Act unless there is anything repugnant in the subject or context:—

(a) “backer” means any person who bets at a totalizator or with a book-maker;

(b) “bet” or “betting” means a contract by a person to pay a certain sum of money to another in the event of the winning or the placing of a horse in a horse-race in consideration of certain payment or promise of payment by that other, and includes payment of money by any person

¹For statement of objects and reasons, see Gazette of West Pakistan (Extraordinary), dated 24th March, 1958, pp. 306 and 307.

This Act was passed by the West Pakistan Assembly on 26th March, 1958; assented to by the Governor of West Pakistan on 8th April, 1958; and, published in the West Pakistan Gazette (Extraordinary), dated 10th April, 1958, pages 513-518.

²Substituted for the words “West Pakistan” by the Punjab Laws (Adaptation) Order, 1974 (Punjab A.O. 1 of 1974); and published in the Punjab Gazette (Extraordinary), dated 20.11.1974, pages 1425-A to 1425-PP, Article 2 and Schedule, Part III, at serial No.4 (w.e.f. 14.8.1973).

³Substituted for the words “West Pakistan” by the Punjab Laws (Adaptation) Order, 1974 (Punjab A.O. 1 of 1974); and published in the Punjab Gazette (Extraordinary), dated 20.11.1974, pages 1425-A to 1425-PP, Article 2 and Schedule, Part III, at serial No.4 (w.e.f. 14.8.1973).

⁴*Ibid.*

⁵*Ibid.*

⁶Substituted by the West Pakistan Horse Race Betting Tax (Amendment) Ordinance, 1964 (VI of 1964); and published in the Gazette of West Pakistan (Extraordinary), dated 25.5.1964, pages 1693-1694, s.2.

⁷Substituted for the words “West Pakistan” by the Punjab Laws (Adaptation) Order, 1974 (Punjab A.O. 1 of 1974); and published in the Punjab Gazette (Extraordinary), dated 20.11.1974, pages 1425-A to 1425-PP, Article 2 and Schedule, Part III, at serial No.4 (w.e.f. 14.8.1973).

to another on the happening of that event in consideration of that other paying to him on the event not happening;

- (c) “book-maker” means a person who carries on the business of making bets with the public in general;
- ⁸ [(d) ‘Director, Excise and Taxation’ means any officer appointed as such by Government, and shall include any officer appointed by Government as Additional Director, Excise and Taxation;]
- (e) “Government” means ¹⁰[the Provincial Government of the Punjab];
- (f) “manager” means a person (whether an individual, a corporate body or an association) primarily responsible for the holding of a race-meeting or his nominee approved by the ¹¹[Commissioner], for the purpose of this Act;
- (g) “prescribed” means prescribed by rules made under this Act;
- (h) “race-meeting” means an assembly of persons at a horse-race to which the public have access whether on payment or otherwise;
- (i) “totalizator” means the system of betting in horse-races which enables persons to make bets with one another on the principle of a common pool and includes any machine, instrument or contrivance used for the purpose.

3. Levy of totalizator tax.— (1) Government may, by notification, from time to time, direct that a tax not exceeding 20 per cent (hereinafter referred to as the “totalizator tax”) shall be levied on backers in respect of all moneys paid by them into any totalizator by way of bets.

(2) Every notification issued under sub-section (1) shall specify the local area in which, the rate at which, and the date from which totalizator tax shall be levied.

(3) Such portion of the moneys paid into the totalizator as is equivalent to the amount of the totalizator tax calculated at the rate specified in the aforesaid notification shall be deemed to have been paid by the backers on account of the totalizator tax and to have been received by the manager on behalf of the Government.

⁸Substituted for clause (d), by the West Pakistan Horse-Race Betting Tax (Second Amendment) Ordinance, 1964 (X of 1964); and published in the Gazette of West Pakistan (Extraordinary), dated 15.1.1965, section 2, which was previously substituted by the West Pakistan (Adaptation of Laws) Ordinance, 1962 (XXV of 1962); and published in the Gazette of West Pakistan (Extraordinary), dated 2.6.1962, pages 2195-2200, section 3(2) Schedule II.

¹⁰Substituted for the words “Government of West Pakistan” by the Punjab Laws (Adaptation) Order, 1974 (Punjab A.O. 1 of 1974); and published in the Punjab Gazette (Extraordinary), dated 20.11.1974, pages 1425-A to 1425-PP, Article 2 and Schedule, Part III, at serial No.4 (w.e.f. 14.8.1973).

¹¹Substituted for the words “Director Excise and Taxation, West Pakistan” by the West Pakistan (Adaptation of Laws) Ordinance, 1962 (XXV of 1962); and published in the Gazette of West Pakistan (Extraordinary), dated 2.6.1962, pages 2195-2200, section 3(2) Schedule II.

4. Levy of betting tax.— ¹²[(1) Government may, by notification, from time to time, direct that a tax not exceeding twenty per centum (hereinafter referred to as the “betting tax”) shall be levied and paid out of all moneys paid or agreed to be paid to the book-makers by backers in respect of bets made in a place within the race enclosure which the manager has set apart for the purposes of such betting.]

(2) Every notification issued under sub-section (1) shall specify the local area in which, the rate at which, and the date from which, the betting tax shall be levied.

¹³[(3) Such portion of the moneys referred to in sub-section (1) as is equivalent to the amount of the betting tax calculated at the rate specified in the aforesaid notification, shall be deemed to have been paid by each backer concerned on account of the betting tax and to have been received by the book-maker concerned on behalf of the Government.]

¹⁴[(4) The moneys received by the book-makers on account of the betting tax shall be made over to the manager for payment to Government.]

¹⁶**[4-A Power to Government to issue directions.**— Government may, by notification¹⁷ in the official Gazette, direct that—

- (a) no bets shall be made or settled with a book-maker except at a specified time and place;
- (b) payment by a book-maker to a backer in consequence of a bet made and won by the latter on credit shall be made by means of a cheque;
- (c) a list of all bets referred to in clause (b) be supplied by the book-maker in the prescribed manner.]

¹⁸**[4-B Payment to Manager for collection of taxes, etc.**— Government may pay to any manager, on such terms and conditions as may be specified by the Government,

¹²Substituted by the West Pakistan Horse-Race Betting Tax (Second Amendment) Ordinance, 1964 (X of 1964); and published in the Gazette of West Pakistan (Extraordinary), dated 15.1.1965, section 3 (a). Earlier substituted by the West Pakistan Horse-Race Betting Tax (Amendment) Ordinance, 1960 (XXV of 1960); and published in the Gazette of West Pakistan (Extraordinary), dated 23.7.1960, pages 2949-2950, s.2.

¹³Substituted by the West Pakistan Horse-Race Betting Tax (Second Amendment) Ordinance, 1964 (X of 1964); and published in the Gazette of West Pakistan (Extraordinary), dated 15.1.1965, section 3 (a). Earlier substituted by the West Pakistan Horse-Race Betting Tax (Amendment) Ordinance, 1960 (XXV of 1960); and published in the Gazette of West Pakistan (Extraordinary), dated 23.7.1960, pages 2949-2950, s.2

¹⁴Added by the West Pakistan Horse-Race Betting Tax (Second Amendment) Ordinance, 1964 (X of 1964); and published in the Gazette of West Pakistan (Extraordinary), dated 15.1.1965, section 3 (a). Earlier added by the West Pakistan Horse-Race Betting Tax (Amendment) Ordinance, 1960 (XXV of 1960); and published in the Gazette of West Pakistan (Extraordinary), dated 23.7.1960, pages 2949-2950, s.2.

¹⁵Added by the West Pakistan Horse-Race Betting Tax (Second Amendment) Ordinance, 1964 (X of 1964); and published in the Gazette of West Pakistan (Extraordinary), dated 15.1.1965, section 3 (a). Earlier added by the West Pakistan Horse-Race Betting Tax (Amendment) Ordinance, 1960 (XXV of 1960); and published in the Gazette of West Pakistan (Extraordinary), dated 23.7.1960, pages 2949-2950, s.2.

¹⁶Inserted by the West Pakistan Horse-Race Betting Tax (Amendment) Ordinance, 1960 (XXV of 1960); and published in the Gazette of West Pakistan (Extraordinary), dated 23.7.1960, pages 2949-2950, section 4.

¹⁷See Revenue and Rehabilitation Department Notification No. Tax-XII-10-259(a), dated 12th December, 1960, Part I, page 634.

¹⁸Inserted by the West Pakistan Horse-Race Betting Tax (Second Amendment) Ordinance, 1964 (X of 1964); and published in the Gazette of West Pakistan (Extraordinary), dated 15.1.1965, section 4.

such sum of money or such percentage of the betting tax or the totalizator tax as it may fix, for collecting and depositing the betting tax and the totalizator tax.]

5. Assessment collection and payment of tax.— The betting tax or the totalizator tax shall be assessed, collected and paid in such manner as may be prescribed by the Government.

6. Duties of the management.— The manager of every race-meeting at which betting takes place shall—

- ¹⁹[(a) cause accounts to be kept in the prescribed manner of all sums paid into every totalizator, and all sums paid or agreed to be paid to the book-makers by backers in respect of bets made by the latter;
- (b) forward at the time, in the manner, and to the officer, prescribed in this behalf, a return showing the total amount of the sums paid into every totalizator and of all sums paid or agreed to be paid to the book-makers by backers in consequence of the bets made by the latter;]
- (c) deposit or make over the totalizator tax and the betting tax due, collected or received, in the prescribed manner; and
- (d) furnish such other information and returns as may be prescribed:

Provided that where the manager satisfies the ²⁰[Director, Excise and Taxation] that a particular amount of betting tax has remained undeposited for reasons beyond his control and that the book-maker concerned is responsible for not making it over to him, the ²¹[Director, Excise and Taxation], may pass an order to the effect that the liability to deposit that amount is that of the book-maker.

7. Tax in lieu of taxes under sections 3 and 4.— The manager of every-meeting in any local area in respect of which a notification has not been issued under section 3 or section 4 shall pay to the Government by way of tax, in respect of such meeting, such amount not exceeding five hundred rupees as may be prescribed.

8. Appointment of Inspectors.— (1) The ²²[Commissioner] may appoint Inspectors for any local area to inspect race-meetings and the accounts of betting.

(2) Every person appointed under sub-section (1) shall be deemed to be a public servant within the meaning of section 21 of the Pakistan Penal Code²³, and shall be given free access to every race-meeting held in the local areas for which he has been appointed and to every place where betting is conducted at such race-

¹⁹Substituted *ibid.*, s.5.

²⁰Substituted for the words "Divisional Excise and Taxation Officer" by the West Pakistan Horse-Race Betting Tax (Second Amendment) Ordinance, 1964 (X of 1964); and published in the Gazette of West Pakistan (Extraordinary), dated 15.1.1965, section 5(b), which were previously substituted, for the words "Deputy Director Excise and Taxation", by the West Pakistan (Adaptation of Laws) Ordinance, 1962 (XXV of 1962); and published in the Gazette of West Pakistan (Extraordinary), dated 2.6.1962, pages 2195-2200, section 3(1) Schedule I.

²¹*Ibid.*

²²Substituted, for the words "Director Excise and Taxation West Pakistan", by the West Pakistan (Adaptation of Laws) Ordinance, 1962 (XXV of 1962); and published in the Gazette of West Pakistan (Extraordinary), dated 2.6.1962, pages 2195-2200, section 3(2) Schedule II.

²³XLV of 1860.

meeting and to all books of account relating to such betting, whether such books belong to the manager or to any book-maker.

9. Exemptions.— The Government may, by notification showing reasons for such exemption exempt any race-meeting from—

- (a) the totalizator tax leviable under section 3; or
- (b) the betting tax leviable under section 4; or
- (c) the tax leviable under section 7.

10. Punishment and procedure.— (1) (a) If payment of any tax due under this Act is evaded or the tax is not deposited within the prescribed time, the ²⁴[Director, Excise and Taxation], may determine the person or persons liable in this respect and may impose a penalty not exceeding five times the amount of tax or rupees one thousand whichever is greater, in addition to the tax evaded or unpaid ²⁵[:]

²⁶[Provided that no order shall be made under this clause making any person or persons liable for the payment of a tax or imposing on any such person or persons a penalty without giving such person or persons an opportunity of being heard and showing cause against the proposed order.]

- (b) Any person who contravenes the provisions of this Act or the rules made thereunder or fails to comply with any direction given under this Act or the rules made thereunder, shall be punished with fine which may extend to five hundred rupees.
- (c) If any sum due on account of any tax or penalty under this Act is not paid within the time allowed for its payment and the person from whom it is due does not show cause to the satisfaction of the ²⁷[Director, Excise and Taxation], or any officer authorised by him, why he should not pay the same, such sum (inclusive of the cost of recovery) may be recovered under a warrant in the prescribed form, or in a form to like effect, signed by the ²⁸[Director, Excise and Taxation], by the distress and sale of any movable property belonging to such person. The warrant may be addressed to any officer of the Excise and Taxation Department for execution and in executing it he may obtain such assistance from other servants of the department as he may consider necessary.

²⁴Substituted, for the words “Divisional Excise and Taxation Officer”, by the West Pakistan Horse-Race Betting Tax (Second Amendment) Ordinance, 1964 (X of 1964); and published in the Gazette of West Pakistan (Extraordinary), dated 15.1.1965, section 6, which were previously substituted, for the words, “Deputy Director, Excise and Taxation”, by the West Pakistan (Adaptation of Laws) Ordinance, 1962 (XXV of 1962); and published in the Gazette of West Pakistan (Extraordinary), dated 2.6.1962, pages 2195-2200, section 3 (1), Schedule I.

²⁵Substituted for the full-stop, by the West Pakistan Laws (Amendment) Ordinance, 1965 (XXXIV of 1965); and published in the Gazette of West Pakistan (Extraordinary), dated 2.11.1965, pages 5607-5614, s.2 and Second Schedule, at serial No.10.

²⁶Added *ibid*.

²⁷Substituted, for the words “Divisional Excise and Taxation Officer”, by the West Pakistan Horse-Race Betting Tax (Second Amendment) Ordinance, 1964 (X of 1964); and published in the Gazette of West Pakistan (Extraordinary), dated 15.1.1965, section 6, which were previously substituted, for the words, “Deputy Director, Excise and Taxation”, by the West Pakistan (Adaptation of Laws) Ordinance, 1962 (XXV of 1962), section 3(1), Schedule I.

²⁸*Ibid*.

(d) Any sum due on account of any tax or penalty under this Act shall be recoverable as arrears of land revenue. A certificate issued by the ²⁹[Director, Excise and Taxation] showing that any amount is due as tax or penalty, shall be conclusive proof thereof.

(2) Any person aggrieved by an order passed by the ³⁰[Director, Excise and Taxation], under clause (a) of sub-section (1) may appeal to the ³¹[Commissioner] within thirty days of the order, exclusive of the time required to get a copy thereof, in such manner as may be prescribed.

(3) The order of the ³²[Director, Excise and Taxation], and in case of appeal, the order of the ³³[Commissioner], shall be final.

(4) The Government may call for and examine the records of any proceedings under sub-section (2) for the purpose of satisfying themselves as to the legality or propriety of any order passed by the ³⁴ [Commissioner]. If in any case it shall appear to the Government that any order should be modified, annulled or reversed, the Government may pass such order thereon as may be deemed fit:

Provided that the Government shall not under this sub-section pass an order revising or modifying any order affecting any person without giving such person an opportunity of being heard.

11. Rules.— (1) The Government may, by notification, make rules³⁵—

(a) with reference to all matters expressly required or allowed by this Act to be prescribed; and

(b) to carry out all or any of the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing powers the Government shall have power to make rules regarding the manner in which any tax payable under this Act may be recovered as also the form of the accounts to be maintained and the returns to be submitted by book-makers.

²⁹*Ibid.*

³⁰Substituted for the words "Divisional Excise and Taxation Officer", by the West Pakistan Horse-Race Betting Tax (Second Amendment) Ordinance, 1964 (X of 1964); and published in the Gazette of West Pakistan (Extraordinary), dated 15.1.1965, section 6, which were previously substituted, for the words, "Deputy Director, Excise and Taxation", by the West Pakistan (Adaptation of Laws) Ordinance, 1962 (XXV of 1962); and published in the Gazette of West Pakistan (Extraordinary), dated 2.6.1962, pages 2195-2200, section 3(1) Schedule I.

³¹Substituted, for the words "Director Excise and Taxation, West Pakistan", by the West Pakistan (Adaptation of Laws) Ordinance, 1962 (XXV of 1962) ; and published in the Gazette of West Pakistan (Extraordinary), dated 2.6.1962, pages 2195-2200, section 3(2) Schedule II.

³²Substituted, for the words "Divisional Excise and Taxation Officer", by the West Pakistan Horse-Race Betting Tax (Second Amendment) Ordinance, 1964 (X of 1964); and published in the Gazette of West Pakistan (Extraordinary), dated 15.1.1965, section 6, which were previously substituted, for the words, "Deputy Director, Excise and Taxation", by the West Pakistan (Adaptation of Laws) Ordinance, 1962 (XXV of 1962); and published in the Gazette of West Pakistan (Extraordinary), dated 2.6.1962, pages 2195-2200, section 3(1) Schedule I.

³³Substituted, for the words "Director Excise and Taxation, West Pakistan", by the West Pakistan (Adaptation of Laws) Ordinance, 1962 (XXV of 1962); and published in the Gazette of West Pakistan (Extraordinary), dated 2.6.1962, pages 2195-2200, section 3(2) Schedule II.

³⁴Substituted, for the words "Director Excise and Taxation, West Pakistan", by the West Pakistan (Adaptation of Laws) Ordinance, 1962 (XXV of 1962); and published in the Gazette of West Pakistan (Extraordinary), dated 2.6.1962, pages 2195-2200, section 3(2) Schedule II.

³⁵For rules, see Gazette of West Pakistan, 1958, Pt. I, pp. 450 to 452.

12. Repeal and Savings.— (1) The following enactments are hereby repealed:—

- (a) The Sind Betting Act, 1938³⁶.
- (b) The Punjab Horse-race Betting Tax Act, 1950³⁷.
- ³⁸[(c) The Sind Betting Tax Act, 1938³⁹, as applicable to Karachi District.]

(2) Notwithstanding the repeal of the Acts mentioned in sub-section (1) everything done, action taken, obligation, liability, penalty or punishment incurred, inquiry or proceeding commenced, officer appointed or person authorised, jurisdiction or power conferred, rule made and order or notification issued under any of the provisions of the said Acts, shall, if not inconsistent with the provisions of this Act, be continued, and so far as may be, be deemed to have been respectively done, taken, incurred, commenced, appointed, authorised, conferred, made or issued under this Act.

³⁶Sind XV of 1938.

³⁷Punjab XXX of 1950.

³⁸Added by the West Pakistan Horse Race Betting Tax (Amendment) Ordinance, 1964 (VI of 1964)); and published in the Gazette of West Pakistan (Extraordinary), dated 25.5.1964, pages 1693-1694, s.3.

³⁹Sind Act XV of 1938.