

The Railways (Local Authorities Taxation) Act, 1941

February 18, 2013

[ACT NO.25 OF 1941]

[26th November, 1941.]

An Act to regulate the extent to which railway property shall be liable to taxation imposed by an authority within a ¹[State].

WHEREAS it is expedient to regulate the extent to which property vested in ² the Central Government, being property of a railway, shall be liable to taxation imposed by an authority within a ¹[State]; It is hereby enacted as follows:—

1. Subs. by Act 3 of 1951, s.3 and Sch., for "Part A State", which had been subs.for "Province" by the A.O.1950.

2. The words "His Majesty for the purposes of" omitted by the A.O.1950.

1. Short title and extent.

(1) This Act may be called the Railways (Local Authorities' Taxation) Act, 1941.

(2) It extends to the whole of India ¹[except the State of Jammu and Kashmir].

1. Subs. by Act 3 of 1951, s.3 and Sch., for "except Part B States".

2. Definitions.

In this Act,–

(a) "local authority" means a local authority as defined in the General Clauses Act, 1897, and includes any authority legally entitled to or entrusted with the control or management of any fund for the maintenance of watchmen or for the conservancy of a river;

(b) "railway administration" has the meaning assigned to the expression in clause (6) of section 3 of the Indian Railways Act, 1890.

3. Liability of railways to taxation by local authorities.

(1) In respect of property vested in ¹ the Central Government, being property of a railway, a railway administration shall be liable to pay any tax in aid of the funds of any local authority, if the Central Government, by notification in the Official Gazette, declares it to be so liable.

(2) While a notification under sub-section (1) is in force, the railway administration shall be liable to pay to the local authority either the tax mentioned in the notification or in lieu thereof such sum, if any, as a person appointed in this behalf by the Central Government may, having regard to the services rendered to the railway and all the relevant circumstances of the case,



from time to time determine to be fair and reasonable. The person so appointed shall be a person who is or has been a Judge of a High Court or a District Judge.

1. The words "His Majesty for the purposes of" omitted by the A.O.1950.

4. Modification of existing liability to taxation.

The Central Government may, by notification in the Official Gazette, revoke or vary any notification issued under clause (1) of section 135 of the Indian Railways Act, 1830; and where a notification is so revoked any liability arising out of the notification to pay any tax to any local authority shall cease, and where a notification is so varied the liability arising out of the notification shall be varied accordingly.

5. Saving.

Nothing in this Act shall be construed as debarring any railway administration administering a railway from entering into a contract with any local authority for the supply of water or light or for the scavenging of railway premises, or for any other service which the local authority may be rendering or be prepared to render within any part of the local area under its control.

