

Profession Tax

Duties of Employers (other than State and Central Government offices) :

Sr.No.	Question	Answer												
1	What is the designated Authority?	A Designated Authority is the authority which levies and collects the tax from a person liable to pay professional tax.												
2	Which is the Designated Authority for an employer?	<p>A. For State and Central Government Offices, Public Sector Undertakings of Governments, Panchayats and Grant-in-Aid Institutions, the State Government is the Designated Authority.</p> <p>B. For all employers other than State and Central Government Offices, PSUs, Panchayats, and Grant in Aid Institutions, the Government of Gujarat has notified the jurisdictions of following designated authorities.</p> <ol style="list-style-type: none"> 1. District Panchayat:- Area of District Panchayat 2. Municipality:- Area of Municipality 3. Municipal Corporation:- Area of Municipal Corporation 4. State Government:- All other area not covered under a Panchayat, Municipality or Municipal Corporation. 												
3.	What are the rates at which tax is to be deducted.	<p>Tax rate varies depending upon monthly salary/ wage of an employee. The rates of tax are-</p> <table border="1"> <thead> <tr> <th><u>Slab(Rs.)</u></th> <th><u>Rate of Tax (per month)</u></th> </tr> </thead> <tbody> <tr> <td>1. less than 3000</td> <td>Zero</td> </tr> <tr> <td>2. 3000 to 5999</td> <td>Rs. 20</td> </tr> <tr> <td>3. 6000 to 8999</td> <td>Rs. 80</td> </tr> <tr> <td>4. 9000 to 11999</td> <td>Rs. 150</td> </tr> <tr> <td>5. 12000 or more</td> <td>Rs. 200</td> </tr> </tbody> </table> <p>Clickhere for more details</p>	<u>Slab(Rs.)</u>	<u>Rate of Tax (per month)</u>	1. less than 3000	Zero	2. 3000 to 5999	Rs. 20	3. 6000 to 8999	Rs. 80	4. 9000 to 11999	Rs. 150	5. 12000 or more	Rs. 200
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4	Is there any threshold minimum number of employees prescribed for liability under the Act?	No. Even if an employer has employed one employee, he is liable under this Act.												

5	Does an employer have to deduct profession tax from the salaries of each and every employee ?	Yes. He is required to deduct the amount of tax from the salaries of all employees except those who are drawing a salary of less than Rs.3000/- per month.
6	Does an employer have to get registered compulsorily under this Act ?	Yes, even if he is responsible to deduct tax from the salary of one employee.
7	Does an employer have to get him self reregistered on account of change of Designated Authority?	No. Old registration will continue with the new Designated Authority coming in operation due to changes made in Act.
8	Is there any format for Registration Application?	Yes, Form No.1 is the application form for registration.
9	Where is this form available from ?	It is available from the offices of Professional tax Officers declared so by the Designated Authority, and also on the web-site.
10	Is there any time limit prescribed for registration ?	The time limit is 60 days from the date of accruing liability under the Act.
11	Does an employer have to obtain separate registration for each of his branch?	Yes.
12	How and where to deposit the amount so deducted?	Employers covered under the jurisdiction of "State Government" as Designated authority shall pay in the treasury by chalan through the bank. Other employers shall pay at the place of payment declared by the Designated Authorities concerned.
13	When does an employer have to deposit the amount so deducted?	If an employer has employed more than 20 employees, he is required to make payment within 15 days from the end of the month. However, if an employer has less than 20 employees, he is required to pay quarterly,

		i.e. by the 15 th of next month from the end of the quarter.
14	What if an employer fails to get himself registered within time?	He will be liable to a penalty of Rs.20/- per day under Section 5(5) for the period during which he remains unregistered.
15	If any employer deducts the tax from the salary of the employee and does not deposit the same within the time limit, i.e. deposits late?	He is liable to pay interest at the rate of 18 % per annum for such delayed period along with penalties prescribed.
16	What if an employer never deposits such amount with the Government or the Designated Authority?	The officials have power to recover such amount along with applicable penalty and interest from the assets of such defaulter. Moreover they can attach his bank account also. In serious cases, prosecution case (police case) also can be filed.
17	Is there any return required to be filed by the employer?	Yes. A monthly return in Form No.5 is to be filed by 15th of next month, if the number of employees is more than twenty. Where number of employee is less than 20, only an annual return in Form No.5AA is required to be filed.
18	Can any registration holder file annual return even though the number of employees is more than twenty?	Yes. If he has obtained special permission from the authority by applying in Form No.5B for this purpose.
19	Is there any provision to get permission to file consolidated return for different places for which separate registrations are obtained?	Yes. One has to apply in for 5-CC to the concerned authority for this purpose. This facility is available where all the places are within the jurisdiction of single Designated Authority.
20	Whether the employers shall be assessed?	Yes, employers required to pay tax, are liable to be assessed by the Profession Tax authority under Section 7 of the Act.