

**Bihar Tax on Professions, Trades, Callings and Employments Act 2011 s 4 – Levy and charge of tax**

**(1) There shall be levied<sup>1</sup> and collected a tax on professions, trades, callings and employments in accordance with the provisions of this Act:**

**Provided that the tax payable by a person under this Act in respect of a year shall not exceed two thousand five hundred rupees<sup>2</sup>.**

**(2) Every person<sup>3</sup> engaged in any profession, trade, calling or employment in the State of Bihar shall be liable to pay the tax in respect of his<sup>4</sup> profession, trade, calling or employment at the rate specified in the Schedule appended to this Act.**

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<sup>1</sup> **Levy:** This is the charging section levying tax on professions, trades, callings and employments.

<sup>2</sup> **Shall not exceed two thousand five hundred rupees:** The maximum amount which can be charged as professional tax in a year is Rs.2,500. Within this maximum limit of Rs.2,500, the rate of profession tax applicable to different types of persons has been mentioned in the Schedule to the Act.

<sup>3</sup> **Person:** Explanation to Section 2(f) deems every branch of a firm, company, corporation or other corporate body, any society, club or association as a person liable to pay tax on profession, such that a person who carries business, profession, etc at more than one place would be multiplied by the number of places where he carries on his business etc. [Karnataka Bank Ltd. v State of Andhra Pradesh (2008) 2 SCC 254]

<sup>4</sup> **His:** Section 2(f) defines person as any person who is engaged in any profession, trade, calling or employment in the State of Bihar and includes a Hindu undivided family, firm, company, corporation or other corporate body, any society, club, or association so engaged, but does not include any person who earns wages on casual basis. The person so defined is not limited to natural one but includes artificial and juridical person too; however, use of the term 'his' in the charging section calls for consideration because the term 'his' grammatically applies to a natural person.