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No. 12262—BS-I.-36/2007-PR.

GOVERNMENT OF ORISSA

**PANCHAYATI RAJ (G.P.) DEPARTMENT**

RESOLUTION

The 12th March 2008

**SUBJECT—** Principles of Distribution of Entertainment Tax and its utilization.

Surcharge on Entertainment Tax was being levied under Orissa Entertainment Tax Act 1946. The entire proceeds of surcharge collected from rural areas was passed on to the Orissa Film Development Corporation. For the purpose of establishment of low cost cinema houses and development of Film Industry, on the recommendations of the 1st Orissa State Finance Commission, Government decided that the level of surcharge of Rs. 13.40 lakhs released in favour of Orissa Film Development Corporation shall be given to the Grama Panchayats instead of Orissa Film Development Corporation. In order to ensure an assured source of revenue to the P.R.Is., Government in its Action Taken Report on the 2nd State Finance Commission recommendations decided to transfer an amount of Rs. 15.00 lakhs per annum in favour of the Panchayati Raj Institutions out of the proceeds from surcharge on Entertainment Tax, although the 2nd Orissa State Finance Commission did not specifically recommended such transfer on account of surcharge on Entertainment Tax. In the meanwhile the Orissa Entertainment Tax Act, 1946 has been repealed and the Orissa Entertainment Act, 2006 has been enforced with effect from the 1st October 2006, where there is no provision for levy of surcharge on Entertainment Tax.

Since Government has committed to transfer an amount of Rs. 15.00 lakhs per annum in favour of the Panchayati Raj Institutions (P.R.Is.), the amount will be paid to the P.R.Is. irrespective of the fact that surcharge on Entertainment Tax has since been repealed with effect from the 1st October 2006. Accordingly Government have been pleased to decided that amount of Rs. 15.00 lakhs decided to be transferred to the P.R.Is. shall be distributed among the Grama Panchayats on the basis of population as per the latest Census Report, 2001.

Procedure for Drawl—The amount is to be drawn from the Treasury/Special Treasury/Sub-Treasury/District Treasury by the District Panchayat Officers on presentation of Bills in Form No. 40 of O.T.C. duly countersigned by the Collectors of the concerned District. The District Panchayat Officers after drawl of the amount shall disburse the same in shape of Bank Draft among respective Grama Panchayats of their District proportionately on the basis of population figure available in the latest Census Report and submission of 100% U. Cs. by Grama Panchayats and furnish the same to the Panchayati Raj (G. P.) Department. The amount so distributed to Grama Panchayats shall be utilized as untied funds for creation of assets for use by the community under its jurisdiction.

The amount received by the Grama Panchayats shall be credited to the Grama fund of the Grama Panchayat concerned as per Rule 42 of O. G. P. Rules, 1968 before incurring expenditure.

Soon after the amount is drawn the T. V. No. and date of drawl shall be intimated by the District Panchayat Officers to the P. R. Department.

The Utilization Certificates in respect of the grant is to be furnished by the Grama Panchayats after obtaining the approval of the Grama Sasan to the concerned D. P. Os. and the D.P.O. shall send the same to the Panchayati Raj (G. P.) Department for onward transmission of the same to the Accountant-General, Orissa, Bhubaneswar.

The detailed and accurate Account of Expenditure showing Utilization of the Grant shall be maintained by the Grama Panchayats and shall be made available to the Audit by the authorized Auditors and for Inspection by the Officers of Panchayati Raj (G. P.) Department as and when required as well as for test check be conducted by the Accountant-General, Orissa, Bhubaneswar.

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ORDER—Ordered that the Resolution be published in the extraordinary issue of the *Orissa Gazette*.

By order of the Governor

R. N. DASH

Commissioner-*cum*-Secretary to Government