

## Section - 7, Expenditure-Tax Act, 1987

### [Collection and recovery of expenditure-tax.

7. (1) Where any chargeable expenditure is incurred in a hotel referred to in clause (1) of section 3,—

( a ) if such expenditure relates to any of the services, specified in sub-clauses (a) to (d) of clause (1) of section 5, provided by the hotel, the person who carries on the business of such hotel;  
and

( b ) if such expenditure relates to any of the services, specified in sub-clause (b) or sub-clause (d) of clause (1) of section 5, provided by the other person referred to therein, such other person,

shall collect the expenditure-tax at the rate specified in clause (a) of section 4.

(2) Where any chargeable expenditure is incurred in a restaurant referred to in clause (2) of section 3 [before the 1st day of June, 1992] in relation to any services specified in clause (2) of section 5 and where such services are,—

( a ) provided by the restaurant, the person who carries on the business of such restaurant; and

( b ) provided by the other person, such other person,

shall collect the expenditure-tax at the rate specified in clause (b) of section 4.

(3) The tax collected during any calendar month in accordance with the provisions of sub-sections (1) and (2) shall be paid to the credit of the Central Government by the 10th of the month immediately following the said calendar month.

(4) Any person responsible for collecting the tax, who fails to collect the tax in accordance with the provisions of sub-section (1) or sub-section (2) shall, notwithstanding such failure, be liable to pay the tax to the credit of the Central Government in accordance with the provisions of sub-section (3).]