

Water Tax Act, 2023 (1966)

Date of Authentication

2023-6-9 (25 Sept. 1966)

Amendment

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| 1. The Revenue Tribunal Act, 2031 (1974) | 2031-4-18 (Aug. 21, 1974) |
| 2. Republic Strengthening and Some Nepal Laws Amendments Act, 2066 (2010) | 2066-10-7 (Jan. 21, 2010) |

Act No. 16 of the year 2023 (1966)

An Act Made to Provide for Recovery of Water Tax

Preamble : Whereas, it is expedient to manage modus operandi of recovering the amount of the water tax leviable pursuant to the prevailing Nepal law;

Now, therefore, be it enacted by His Majesty's King Mahendra Bir Bikram Shah Dev on the advice and with the consent of *Rastriya Panchayat*.

- Short title, extent and commencement:** (1) This Act may be called as the "Water Tax Act, 2023 (1966)".
 - It shall extend all over the Nepal.
 - It shall come into force immediately.
- Definitions:** Unless the subject or the context otherwise requires, in this Act,-
 - "tap" means the tap installed for consumption of water distributed by Government of Nepal through the pipeline.
 - "tax" means the water tax leviable pursuant to the prevailing Nepal law.
 - "tax payer" means the person, firm or body corporate obliged to pay the water tax pursuant to Sub-section (1) of Section 4.
 - "prescribed" or "as prescribed" means prescribed or as prescribed in the Rules framed under this Act.
- Tax to be recovered pursuant to this Act:** If any Act makes provision on levying the tax every year or for any one year, such tax shall be assessed and recovered pursuant to this Act and the Rules framed under this Act.

4. **Duty to pay tax:** (1) Each person who gets the tap registered in his/her name has to pay the amount of tax payable for that tap under this Act and other prevailing Nepal law, in accordance with the provisions as mentioned in this Act.

(2) The tax required to be paid pursuant to Sub-section (1) has to be paid in monthly basis pursuant to Sub-section (3) by calculating it from the month in which the tap has been installed.

Explanation: Tax of the whole month has to be paid irrespective of the day of the concerned month on which the tap has been installed.

(3) The tax-payer has to pay the tax for each month to the prescribed office no later than the month following that month been expired.

Provided that, the tax remaining due and outstanding prior to the commencement of this Act has to be paid up within two months from the date of commencement of this Act.

(4) Notwithstanding anything contained in Sub-section (2) and (3), if a taxpayer desires to pay the amount of tax, as an advance, prior to the time-limit as referred to in Sub-section (3), he/she may pay such amount of tax of any month.

5. **Additional fee:** If any tax payer does not pay the tax within the time-limit as referred to in Sub-section (3) of Section 4 and comes to pay the tax after the expiry of that time-limit, the tax has to be collected by realizing the additional fees also as mentioned below, from such taxpayer:-

- (a) ten per cent of the tax if he/she comes to pay the tax within Fifteen days of the expiration of that time limit,
- (b) twenty per cent of the tax if he/she comes to pay the tax after fifteen days but before Thirty days of the expiry of that time limit,
- (c) fifty per cent of the tax if he/she comes to pay the tax after Thirty days but within three months of the expiry of that time-limit,
- (d) cent per cent of the tax if he/she comes to pay the tax after Ninety days but within Six months of the expiry of that time-limit.

6. **Stoppage of distribution of water:** If any taxpayer does not pay the tax and the additional fee as referred to in Section 5 payable by him/her even within Six months of the expiry of the time limit as mentioned in Sub-section (3) of Section 4, the distribution of water as mentioned in Clause (a) of Section 2 shall be stopped from the tap registered in his/her name.
7. **Arrears of tax:** The arrears of the water tax to be realized under this Act or the Rules framed under this Act shall be realized by the prescribed office or authority as governmental dues in accordance with the prevailing Nepal Law.
8. **Transfer of tap:** (1) If any one else comes to be entitled to a tap registered in the name of any taxpayer, he/she has to make an application in writing to the prescribed office within One month to get that tap registered in his/her name. If he/she makes an application after expiry of that time-limit, the In-charge of the prescribed office shall take action pursuant to Sub-section (2), by collecting a fine of a sum not exceeding Ten Rupees.
- (2) If any person transfers his/her title to the tap registered in his/her name to any other person, he/she has to make an application in writing to the prescribed office within one month to get the records of tax crossed off. If he/she makes an application after expiry of that time-limit, the In-charge of the prescribed office has to cross-off the records of that name from him/her, by collecting a fine of a sum not exceeding Ten Rupees.
- (3) If an application is made by any person pursuant to Sub-section (1), the prescribed office has to hold necessary enquiry as prescribed and register the tap in his/her name if it appears that no one else has the claim over that tap, and take action as prescribed, if any one else makes claim over that tap.
9. **Water tax not to be levied:** Notwithstanding anything contained in Section 3 or other prevailing Nepal law, no water tax shall be levied in the following tap:
- (a) [✕],

[✕] Removed by the Republic Strengthening and Some Nepal Laws Amendments Act, 2066 (2010).

- (b) a tap installed in a house, office etc. owned by Government of Nepal,
 - (c) a tap installed in a public educational institute, hospital, library, orphanage, religions organization, temple, shrine (*pati*), inn etc.
 - (d) a tap in a road junction or park for public interest,
 - (e) if any person does not use the tap registered in his/her name and keeps it in any religious or social organization or road or junction for benevolent purpose or public interest, the tap for the period during which that is so kept.
 - (f) a tap so specified by Government of Nepal by a Notification published in the Nepal Gazette as exempting it from the water tax fully or partly.
10. **Penalty**: If any person, with an intention of evading the tax leviable under this Act or other prevailing Nepal law uses the water distributed as mentioned in Clause (a) of Section 2 in any other manner except from the tap registered with the specified office, he/she may be punished by an order of the prescribed authority, with a fine of up to One Thousand Rupees or imprisonment for a term not exceeding Three months or with both.
- *11. **Appeal**: An appeal may be made to the Revenue Tribunal against the order of penalty made by the prescribed authority under Section 10.
12. **Power to frame Rules**: Government of Nepal may frame Rules in order to carry out the objective of this Act.
13. **Saving**: Those matters contained in this Act or the Rules framed under this Act shall be governed by this Act or the Rules and those matters not contained herein or in the Rules shall be governed by the prevailing Nepal law.

* Amended by the Revenue Tribunal Act, 2031 (1974).