

The Andhra Pradesh Rural Development Act 1996:-

An Act to provide for the levy and collection of cess for the Rural Development in the State and to provide for the matters connected there with or incidental there to.

Statement of objects and reasons:-

It is observed that the development in the rural areas in the state has not been accelerated due to paucity of funds. The Government are of the view that there is an imperative need to provide financial assistance for the development of rural areas in the state by creating infrastructure facilities, so that the economic activities in the rural areas will increase and there by contribute for the growth of economy.

With a view to generating funds for the purpose of development of the rural areas, it is considered desirable to levy a cess at the rate of 5% on the advalorem basis on the quantum of purchase of goods specified in the schedule appended to the Act.

Cess is a tax that raises revenue, which is applied to a specific purpose. Cess may be in reality a fee depending on its nature. It is charged for a specific service rendered by some Government agency.

There are 17 Sections and 6 rules in the Act.

Under Section (3) of the Act, the Andhra Pradesh Rural Development Board was established consisting of a chairman and the following members, namely.

Chief Secretary –	Chairman
Principal Secretary, Revenue –	member.
Secretary, food & cvil supplies –	member.
Secretary-finance–	member.
Secretary, panchayath Raj –	member.
Secretary-T.R. &B –	member.
Commissioner (CT) –	member.
Director of civil supplier & ex-office –	member Convenor.

2) Section 4:- Superintendence of the Board:

**The Government shall
exercise superintendence and
control over the board.**

3) Section 5:- Power to make regulations:-

Subject to the rules made under this Act, the board may make regulations for transacting business at its meetings and for such other matters as may be prescribed.

4) Section 6:- Board shall submit to the Government an annual statement of accounts showing the income and expenditure

5) Section 7:- Levy and collection of cess:-

There shall be levied and collected by the government a cess at the rate of five percent on the advaloram on the quantum of purchase of paddy and cashewnut.

Entry of cashewnut was cancelled from the schedule appended to the Act by G.O.M. S.No: 574 Revenue (CT) dated 19-05-2006 with effect from 01-04-2005. Every dealer liable to pay cess under this Act shall submit a monthly return in Form RD-1 on or before the 15th of every month.

Where any dealer fails to submit a return in respect of any month before the due date or if the return submitted appears to be incorrect or incomplete, the assessing authority can estimate the quantity of the goods purchased to the best of judgement by making provisional assessment. Time limitation was set out under Rule 4 (a) of the RD cess rules for three years.

6) Section 8:-

There shall be constituted a fund to be called “The Andhra Pradesh Rural Development Fund” which shall vest in the board.

7) Section 9:-

The fund shall be applied for the purposes here in specified

- 1) To provide and accelerate comprehensive rural development including the construction of rural roads and bridges
- 2) To augment storage facilities for storing agriculture products and
- 3) For maintaining and strengthening of public distribution system.

8) Section 10:- Punishments:-

Any dealer who contravenes the provisions of this Act shall be punishable with a fine which shall not be less than five hundred rupees, but which may extend to two thousand rupees.

9) Section 11:- Bar of Jurisdiction:-

No suit, no prosecution or other legal proceedings against the Government or any officer of the Government or Board.