Money Bill

Why in news?

A seven judge bench of the Supreme Court has been tasked with the authoritative ruling on the scope of money bill.

What is a money bill?

- **Article 110-** It deals with the definition of money bills,
- **Provisions-** A bill is deemed to be a money bill if it contains 'only' provisions dealing with all or any of the following matters.
  - Imposition, abolition, remission, alteration or regulation of any *tax*
  - The regulation of the *borrowing of money* by the Union government
  - The custody of the *Consolidated Fund of India* or the contingency fund of India, the payment of moneys into or the withdrawal of money from any such fund
  - The appropriation of money out of the Consolidated Fund of India
  - Declaration of any expenditure charged on the Consolidated Fund of India or increasing the amount of any such expenditure
  - Receipt of money on account of the Consolidated Fund of India or the public account of India or the custody or issue of such money, or the audit of the accounts of the Union or of a state or
  - Any matter incidental to any of the matters specified above.
- **Rules**- A bill is not to be deemed to be a money bill by reason only that it provides for
  - The imposition of fines or other pecuniary penalties, or
  - The demand or payment of fees for licenses or fees for services rendered or
  - The imposition, abolition, remission, alteration or regulation of any tax by any local authority or body for local purposes.
- **Role of Speaker-** He takes the final call if a bill is a money bill or not, his decision cannot be challenged in any court of the country.

Key aspect	Lok Sabha	Rajya Sabha
Introduction of the Bill	It can be introduced only in Lok Sabha with the prior recommendation of President.	Money Bill cannot be introduced in Rajya Sabha.
Power to amend or reject	• After a money bill is passed by the Lok Sabha, it is transmitted to the Rajya Sabha for its consideration. • The Lok Sabha can either accept or reject all or any of the recommendations of the Rajya Sabha.	It *cannot reject or amend*, it can make recommendations and return the bill ***within 14 days***, whether with or without recommendations.

Unequal power	• If the Lok Sabha accepts any recommendation, the bill is then deemed to have been passed by both the Houses in the modified form. • If the Lok Sabha does not accept any recommendation, the bill is then deemed to have passed by both the Houses in the form originally passed by the Lok Sabha without any change	If the Rajya Sabha does not return the bill to the Lok Sabha within 14 days, the bill is deemed to have been passed by both the Houses in the form originally passed by the Lok Sabha.

To know about Money Bill vs Financial Bill click here

What are the legal challenges present before the Supreme Court over Money Bill?

- Several Bills passed as money Bills, such as the Aadhaar Act, the Finance Act, 2017, and the Finance Act, 2018, have been challenged in the Supreme Court for violating Article 110.
- Verdict on Aadhaar- The petitioners had claimed that parts of the Aadhaar Act were passed as a money Bill, despite containing provisions that were unrelated to the subjects listed under Article 110, the apex court upheld the Act as constitutional
- **Appelate tribunal rules**- The Finance Act, 2017 has certain provisions that gave the Centre additional control over the service conditions of tribunal members.
- They were challenged in the Supreme Court for violating the independence and autonomy of the tribunals and for being passed as a money bill, the Court struck down the rules as unconstitutional and arbitrary.
- It also held that the Speaker's decision on certifying a Bill as a money Bill is subject to judicial review and referred the question of what constitutes a money Bill to a larger seven-judge bench.
- **Finance Act, 2018-** It contained several provisions that were not related to the fiscal matters specified in Article 110, such as the amendment of the Prevention of Money Laundering Act, 2002 (PMLA), the introduction of the Electoral Bond Scheme, and the amendment of the Foreign Contribution (Regulation) Act, 2010.
- The Court did not address the money Bill issue on account of the pending case before the seven-judge bench, its decision will have impact on the Acts that have been challenged in the Court for violating Article 110.

Reference

Indian Express- Constitutional challenge of money bill

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