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Article 110: Money Bill Definition

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Most bills can start in either House and be changed by both. A Money Bill is different. It belongs to the Lok Sabha, and the Rajya Sabha can only advise.

1 What Does Article 110 List?

What is a Money Bill?

A bill is a **Money Bill** if it contains **only** provisions on certain money matters. Article 110(1) gives the full list. The word **only** is the key.

A bill with one extra, unrelated matter is not a Money Bill. The definition applies for “the purposes of this Chapter”, meaning the rules on how Parliament passes laws.

What are the seven matters?

Learn them as a closed list:

- **(a) Tax:** imposing, abolishing, remitting, altering or regulating any tax.
- **(b) Borrowing:** regulating borrowing or guarantees by the Government of India.
- **(c) Funds:** custody of the Consolidated Fund or Contingency Fund, and paying money in or out.
- **(d) Appropriation:** moving money out of the Consolidated Fund.
- **(e) Charged expenditure:** declaring an expense **charged** on the Consolidated Fund, or raising it.

- **(f) Receipt and audit:** receiving, keeping or issuing Consolidated Fund or public account money, or auditing Union and State accounts.
- **(g) Incidental matters:** anything incidental to (a) to (f).

Why does clause (g) matter?

Clause (g) is the catch-all. It covers matters that only support the main ones. This clause was at the centre of the Aadhaar dispute, covered in card 5.

> **Quick check 1.** A bill is a Money Bill even if it also contains unrelated matters, as long as it deals with tax. *(True or False?)*
>
> See answer ↓

Sources: indiankanoon.org

2 What Is Excluded?

Which matters are excluded?

Article 110(2) removes three things. A bill is not a Money Bill **by reason only** that it provides for:

- **Fines** or other money penalties.
- **Fees** for licences, or fees for services rendered.
- **Local taxes** imposed by a local authority or body for local purposes.

Why is this list tested?

The exclusions are as examinable as the seven matters. Notice the phrase “by reason only”.

A bill that has a fine clause **and** a clause on taxation can still qualify. A bill that has only fines cannot.

What is the shortcut?

Ask two questions:

- Is every provision about tax, borrowing, funds, appropriation, charged expenditure, receipts, audit or something incidental?
- Does it rely only on fines, fees or local taxes to qualify?

If the first answer is no, or the second is yes, it is not a Money Bill.

> **Quick check 2.** A bill that only sets licence fees is a Money Bill. *(True or False?)* See answer ↓

Sources: indiankanoon.org

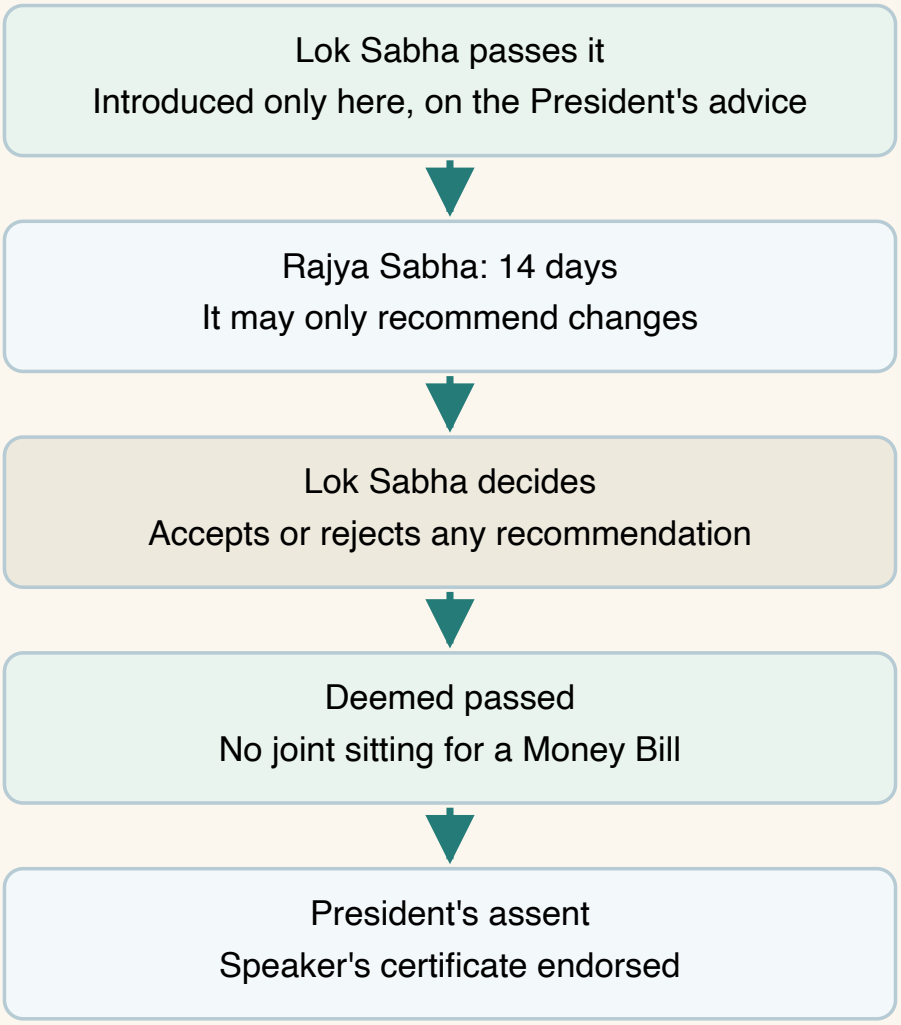
3 How Does It Move?

Where can it start?

A Money Bill can start **only in the Lok Sabha**. Article 117(1) bars its introduction in the Council of States, which is the Rajya Sabha.

It also needs the **President's recommendation** for introduction. This rule covers bills on matters (a) to (f) of Article 110(1).

What can the Rajya Sabha do?



The Money Bill route in five steps. Original explanatory diagram.

Article 109 sets a special route. After the Lok Sabha passes it, the bill goes to the Rajya Sabha. That House has **fourteen days** to return it with recommendations.

The Lok Sabha may accept or reject **all or any** of them.

What happens next?

- **If it accepts any:** the bill is deemed passed by both Houses with those changes.
- **If it accepts none:** the bill is deemed passed in the form the Lok Sabha passed it.
- **If the Rajya Sabha is silent:** the bill is deemed passed when the fourteen days end.

Is there a joint sitting?

No. Article 108 lets the President call a joint sitting to break a deadlock. Its proviso says nothing in that clause applies to a Money Bill. So the Lok Sabha prevails.

Think it through: why does the Rajya Sabha only advise? A government must be able to raise and spend money without delay. The Lok Sabha is directly elected, so it keeps the final say.

> **Quick check 3.** If the Rajya Sabha holds a Money Bill beyond fourteen days, the bill is deemed passed in the Lok Sabha's form. *(True or False?)* See answer ↓

Sources: constitution.org

4 Who Decides?

What does clause (3) say?

If any question arises on whether a bill is a Money Bill, the decision of the **Speaker of the House of the People** is final. That means the Lok Sabha Speaker. No other officer is named.

How is the decision shown?

Under Article 110(4), the Speaker signs a **certificate**. It is endorsed on every Money Bill at two points:

- When the bill goes to the Rajya Sabha under Article 109.
- When it goes to the President for assent under Article 111.

Is “final” really final?

The text says final. But the Supreme Court has looked at how the power is used. Card 5 covers how far courts may go.

> **Quick check 4.** Under Article 110(3), the Speaker's decision on a Money Bill can never be reviewed by any court. *(True or False?)*
>
> See answer ↓

Sources: indiankanoon.org

5 What Did the Court Say?

What was the Aadhaar challenge?

The Aadhaar Act was passed as a Money Bill. The petitioners said that was wrong. They argued it kept the Rajya Sabha out of the process and took away the President's power to return the bill.

They did not dispute Section 7. They said other provisions, such as Section 57, fell outside Article 110.

What did the 2018 majority hold?

A five-judge bench heard it. The lead opinion spoke for three judges. It made three points:

- **Strict reading:** the Rajya Sabha matters in a bicameral system. Article 110 is the only exception, so it must be read strictly.
- **Review is possible:** the Court did not accept that the Speaker's decision is beyond judicial review. Review is open in certain circumstances.
- **Section 7 is the core:** it deals with subsidies paid from the Consolidated Fund. Section 57 is only incidental. So the bill was rightly introduced as a Money Bill.

Justice D.Y. Chandrachud dissented. His opinion held that the Act was not a Money Bill under Article 110.

What did Rojer Mathew add in 2019?

The **Finance Act, 2017** was also passed as a Money Bill. It carried changes to tribunals. In **Rojer Mathew v. South Indian Bank** (13 November 2019), a five-judge bench struck down the tribunal rules by majority.

On the Money Bill point, it noted that the Aadhaar judgment had not set out the scope of such bills. The Aadhaar bench was of equal strength. So the question went to a **larger seven-judge bench**.

Where does this leave us?

- The Speaker's certificate is final in the text.
- Courts have said they can look at it in some cases.
- The exact limit is still a question for a larger bench.

> **Quick check 5.** In 2018, the Supreme Court majority held that the Aadhaar bill was rightly introduced as a Money Bill. *(True or False?)* See answer ↓

Sources: indiankanoon.org; scobserver.in

6 How Has It Been Asked?

What have past papers tested?

UPSC CSP 2018, Q31.

The question asked which statement on a Money Bill is not correct. The false statement claimed the Rajya Sabha could do more than recommend. See Q31 in the full paper.

NDA I 2026, Q136.

The question asked if a Money Bill cannot be introduced in the Rajya Sabha, and if that House cannot reject it. See Q136 in the full paper.

UPSC CSP 2024, Q68.

The question gave statements on introduction only in the Lok Sabha, the fourteen-day window and the Speaker's certificate. See Q68 in the full paper.

CAPF 2019, Q85.

The question asked which item falls outside the Money Bill definition. The answer is fines, fees or local taxes. See Q85 in the full paper.

CAPF 2020, Q71.

The question asked which statement is not a feature of a Money Bill. See Q71 in the full paper.

What are the traps?

- A Money Bill starts **only** in the Lok Sabha.
- The Rajya Sabha has **fourteen days**, not seven or thirty.
- The Rajya Sabha can **recommend**. It cannot reject or amend.
- The Lok Sabha **Speaker** certifies, as Article 110(3) names no other officer.
- There is **no joint sitting** for a Money Bill.
- Fines, fees and local taxes are **excluded** by Article 110(2).

> **Quick check 6.** A Money Bill may be introduced in either House. *(True or False?)* See answer ↓

Sources: indiankanoon.org

Practice MCQs

1. The definition of a Money Bill is given in which Article of the Constitution?

A. Article 110

B. Article 117

C. Article 112

D. Article 108

See answer ↓

2. Article 110 defines what makes a Bill a 'Money Bill.' Which House can a Money Bill be introduced in?

A. Either House

B. A joint sitting of both Houses

C. Only the Lok Sabha

D. Only the Rajya Sabha

See answer ↓

3. Under Article 110(3), who decides whether a disputed Bill is truly a Money Bill?

A. A joint committee of both Houses

B. The Supreme Court, on a reference from Parliament

C. The Speaker of the Lok Sabha, whose decision is final

D. The President, on the advice of the Attorney General

See answer ↓

4. How much time does the Rajya Sabha get to recommend changes to a Money Bill, and what happens to those recommendations?

A. 14 days; the Bill lapses if no response is given

B. 14 days; the Lok Sabha may accept or reject them

C. 6 months; a joint sitting resolves any disagreement

D. 30 days; the Rajya Sabha's recommendations are binding

See answer ↓

5. In K.S. Puttaswamy v. Union of India (2018), what did the Supreme Court decide about the Aadhaar Act's passage as a Money Bill?

A. It referred the question directly to a seven-judge bench

B. It upheld the certification, though Justice Chandrachud dissented

C. It ruled the Speaker's certification was open to full judicial review

D. It struck down the Aadhaar Act entirely as unconstitutional

See answer ↓

6. Money Bills can be introduced in Parliament only with the prior recommendation of?

A. The President

B. The Finance Minister

C. The Chairman of the Rajya Sabha

D. The Speaker of the Lok Sabha

See answer ↓

Answer Key

1. **A.** The correct answer is **Article 110**. It lists the seven matters that make a Money Bill. The word **only** matters, since one extra matter changes the bill. Memory hook: 110 defines, 109 routes. ↑ Q1
2. **C.** The correct answer is **only the Lok Sabha**. A Money Bill cannot be introduced in the Council of States, which is the Rajya Sabha. Memory hook: money starts in the elected House. ↑ Q2
3. **C.** The correct answer is **the Speaker of the Lok Sabha, whose decision is final**. Article 110(3) says so. The Speaker also signs the certificate on the bill. Memory hook: one Speaker, one certificate. ↑ Q3
4. **B.** The correct answer is **14 days; the Lok Sabha may accept or reject**. The Rajya Sabha only recommends. If it stays silent, the bill is deemed passed. Memory hook: fourteen days, then deemed. ↑ Q4
5. **B.** The correct answer is **it upheld the certification, though Justice Chandrachud dissented**. The 2018 majority held the Bill rightly introduced as a Money Bill. A 2019 bench later sent the wider question to a larger bench. Memory hook: upheld in 2018, reopened in 2019. ↑ Q5
6. **A.** The correct answer is **the President**. A Money Bill cannot be introduced except on the President's recommendation. Memory hook: the President recommends, the Speaker certifies. ↑ Q6

Quick-check answers

1. **False.** The word only matters. One unrelated matter takes the bill out of Article 110(1). ↑ 1
2. **False.** Article 110(2) says fees for licences do not make a Money Bill. ↑ 2
3. **True.** Article 109 deems it passed when the fourteen days end. ↑ 3
4. **False.** In 2018 the Court said review is open in certain circumstances. The exact limit went to a larger bench. ↑ 4
5. **True.** The lead opinion found Section 7 to be the core, linked to the Consolidated Fund. ↑ 5
6. **False.** It can start only in the Lok Sabha. ↑ 6

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