

**Andhra Pradesh General Sales Tax (Amendment) Act, 1986****19 of 1986****[01 August 1986]**

## CONTENTS

1. Short Title And Commencement
2. Amendment Of Section 2
3. Section 3
4. Section 4
5. Amendment Of Section 5-C
6. Insertion Of New Section 5-F
7. Amendment Of Section 9
8. Substitution Of New Action For Section 12
9. Amendment Of Section 21
10. Insertion Of New Section 33 Bb
11. Amendment Of Section 32-B
12. Amendment Of Section 33-F
13. Amendment Of Section 39
14. Amendment Of The First Schedule
15. Amendment Of The Second Schedule
16. Amendment Of The Third Schedule
17. Amendment Of Act 18 Of 1985

**Andhra Pradesh General Sales Tax (Amendment) Act, 1986****19 of 1986****[01 August 1986]**

An Act further to amend the Andhra Pradesh General Sales Tax Act, 1957. Be it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Thirty-seventh Year of the Republic of India as follows :- \* Received the assent of the Governor on the 31st July, 1986. For Statement of Objects and Reasons, please see the Andhra Pradesh Gazette, Part IV-A, Extraordinary, dated the 24th July, 1986, at page 17.

**1. Short Title And Commencement :-**

(1) This Act may be called the Andhra Pradesh General Sales Tax (Amendment) Act, 1986.

- (2) (a) Section 17 shall be deemed to have come into force on the 1st July, 1985;
- (b) Sub-clause (a) of clause (ii), clauses (iii) to (vi), clause (viii), sub-clause (a) of clause (ix) of section 14 and items 166 and 167 inserted by clause (xi) of section 14 shall be deemed to have come into force on the 1st June, 1986; and
- (c) the remaining provisions shall come into force at once.

## **2. Amendment Of Section 2 :-**

In the Andhra Pradesh General Sales Tax Act, 1957(Act VI of 1957), (hereinafter referred to as the principal Act), in section 2, in sub-section (1),-

(i) in clause (b) for the words "areas of the State", the words "areas or the whole of the State" shall be substituted;

(ii) in clause (n),

(a) in explanation VII, for the words "the amount which has been paid by the subscriber if such subscriber had not won the prize till the end of the series of draw", the words "the amount which would have been payable be the subscriber had he not won the prize till the end of the series of draw" shall be substituted;

(b) after explanation VII, the following explanation shall be added, namely :

"Explanation VII: Every transfer of property in goods by the Central Government or the State Government for cash or for deferred payment or for any other valuable consideration, whether or not in the course of business shall be deemed to be a sale for the purpose of this Act."

(iii) in clause (s), in item (a) of sub-clause (ii), for the words "the cost of any goods", the words "the value of any goods" shall be substituted.

## **3. Section 3 :-**

In section 5 of the principal Act, in subsection (1) for the expression "Rs. 1,00,000" the expression Rs. 2,00,000", shall be substituted.

## **4. Section 4 :-**

For section 5-A of the principal Act, the following section shall be substituted, namely :-

"5-A Levy of additional tax on turnover.--

Every dealer who is liable to pay tax under sections 5, 5-C, 5-E, 6, 6-A and 6-C shall, in addition to the tax payable under those sections, pay for each year a tax on his turn over liable to tax at the rate of-

(a) one half paise on every rupee where the total turnover for the year is three lakh rupees or more but less than fifty lakh rupees; and

(b) one paise on every rupee where the total turnover is fifty lakh rupees or more :

Provided that in respect of declared goods the total rate of tax together with the rate of additional tax specified in this section shall not exceed four percent."

## **5. Amendment Of Section 5-C :-**

In section 5-C of the principal Act, for the proviso the following proviso shall be substituted, namely :-

"Provided that no such tax shall be levied if the total turnover of the dealer including such aggregate during the year is less than Rs. 2,00,000."

## **6. Insertion Of New Section 5-F :-**

After section 5-E of the principal Act, the following section shall be inserted, namely :-

5F. " Caption to pay tax at the slab rate--

(1) In lieu of the tax payable under sub-section (1) of section 5 and section 5-C, every dealer (other than a casual trader) may at his option pay the amount of tax as specified in the Table given below on his turnover liable to tax under sub-section (1) of section 5 and section 5-C.

THE TABLE

"Caption to pay tax at the slab rate

Turnover slab under section 5 (1) and section 5-C	Amount of tax payable per year.
(1)	(2)
1. Turnover not exceeding Rs.20,000.	Rs. 500
2. Turnover exceeding Rs. 20,000 but not exceeding R. 40,000.	1,500
3. Turnover exceeding Rs.40,000 but not exceeding Rs.60,000.	2,500
4. Turnover exceeding Rs. 60,000 but not exceeding Rs-80,000.	3,500

5. Turnover exceeding Rs. 80,000 but not exceeding Rs. 1,00,000.	4,500
6. Turnover exceeding Rs. 1,00,000 but not exceeding Rs. 1,50,000.	6,250
7. Turnover exceeding Rs. 1,50,000 but not exceeding Rs. 2,00,000.	8,850
8. Turnover exceeding Rs. 2 lakhs but not exceeding Rs. 2.5 lakhs.	11,250
9. Turnover exceeding Rs. 2.5 lakhs but not exceeding Rs. 3 lakhs	13,750
10. Turnover exceeding Rs. 3 lakhs but not exceeding Rs. 3.5 lakhs.	16,250
11. Turnover exceeding Rs.3.5 lakhs but not exceeding Rs. 4 lakhs.	; 18,750
12. Turnover exceeding Rs. 4 lakhs but not exceeding Rs. 4.5 lakhs	21,250
13. Turnover exceeding Rs.4.5 lakhs but not exceeding Rs. 5 lakh.	23,750
14. Turnover exceeding Rs. 5 lakhs.	Amount of Rs-23,750 plus a tax at the rate of five paise on every Rupee of the turnover exceeding rupees five lakhs.

Provided that the dealers who have opted to pay the amount of the tax under this sub-section shall not be liable to tax under section 5-A and 6-B if the turnover referred to above does not exceed rupees five lakhs.

(2) Any dealer who opts to pay any tax under sub-section (1) shall apply in the prescribed form to the assessing authority to be permitted to pay the tax under sub-section (1) and on being permitted he shall pay the tax due in advance during the year in monthly or prescribed instalments and for that purpose shall submit such returns in such manner as may be prescribed.

(3) The permission granted by the assessing authority under sub-section (2) shall continue to be in force till the dealer withdraws his option.

(4) The tax paid under sub-section (2) shall be subject to such adjustment as may be prescribed on the completion of final assessment in the manner prescribed.

(5) The assessing authority may by an order in writing cancel the permission granted under subsection (2) for good and sufficient reasons after giving the dealer concerned an opportunity of being heard".

## **7. Amendment Of Section 9 :-**

In section 9 of the principal Act,-

(i) in sub-section (1) for the words "any tax payable under this Act" the words " any tax or interest payable under this Act", shall be substituted;

(ii) in sub-section (2), for the word "tax" in the two places where it occurs, the words "tax or interest" shall be substituted :

(iii) in the marginal heading, the words "or interest" shall be added at the end.

## **8. Substitution Of New Action For Section 12 :-**

For section 12 of the principal Act, the following section shall be substituted, namely:-

### **12.Registration of dealers--**

(1) Every dealer (other than casual trader) whose total turnover in any year is not less than Rs. 50,000 shall and any other dealer may get himself registered under this Act.

(2) Notwithstanding anything contained in subsection (1) every dealer-

(a) carrying on business in all or any of the good mentioned in the First, Second, Third, Fifth and Sixth Schedules;

(b) carrying on or executing any works contracts;

(c) who transfers the right to the use of any goods for any purpose whatsoever (whether or not for a specified period) in the course of business to any other person;

(d) registered under sub-section (3) of section 7 of the Central Sales Tax Act (Central Act 74 of 1956) 1956;

(e) residing outside the State but carrying on business in this State:--

(f) every agent of non-resident dealer;

(g) every commission agent, broker, del credere agent, auctioneer or any other mercantile agent, by whatever name called, who carries on the business of buying, selling, supplying, distributing or delivering the goods on behalf of any principal;

shall get himself registered under this Act irrespective of the quantum of his turnover.

(3) Every miller whether he is a dealer or not shall get himself registered under this Act.

(4) where a registered dealer-

(i) dies, or

(ii) transfers or otherwise disposes of his business in whole or in part, or

(iii) effects any change in the ownership of his business;

in consequence of which he is succeeded in the business or part thereof by any other person, such successor in business shall unless he already holds a certificate of registration get himself registered under this Act.

(5) No dealer who is liable to get himself registered under sub-

section (1) or sub-section (2) or subsection (4) shall carry on business as a dealer unless he has been registered and is in possession of a certificate of registration.

(6) An application for registration shall be made to the prescribed authority, in such manner and within such time as may be prescribed and shall be accompanied by a fee of one hundred rupees.

(7) Where it appears necessary to the authority to whom an application is made under sub-section (6) so to do for the proper realisation of the tax and other dues payable under this Act or for the proper custody and use of the forms referred to in this Act, the rules made and the notification issued thereunder, he may by an order in writing and for reasons to be recorded therein, impose as a condition for the issue of a certificate of registration a requirement that the dealer shall furnish in the prescribed manner and within such time as may be specified in the order such security as may be specified, for all or any of the aforesaid purposes.

(8) If the authority to whom an application is made under sub-section (6) is satisfied that the application is bonfire and is in order and in conformity with the provisions of this Act and the rules made thereunder and the conditions, if any, imposed under sub-section (7) has been complied with, he shall register the applicant and grant him a certificate of registration in the prescribed form.

(9) Where any such dealer has more than one shop or place of business (other than a place used merely for the storage of goods) he shall apply for registration and obtain a separate registration certificate in respect of each such shop or place of business on payment of a sum of twenty rupees for each such shop or place of business.

(10) Where it appears necessary to the authority granting a certificate of registration under this section so to do for the proper realisation of tax and other dues payable under this Act or for the proper custody and use of the forms referred to in sub-section (7) he may, at any time while such certificate is in force, by an order in writing and for reasons to be recorded therein, require the dealer, to whom the certificate of registration has been granted, to furnish within such time as may be specified in the order and in the prescribed manner such security, or if the dealer has already furnished any security in pursuance of an order under this sub section or sub-section (7) such additional security, as may be specified in the order for all or any of the aforesaid purposes.

(11) No dealer shall be required to furnish any security under sub-section (7) or any security or additional security under sub-section (10) unless he has been given an opportunity of being heard and the amount of such security or additional security that may be required to be furnished shall not exceed the amount equal to the tax payable under this Act, in accordance with the estimate of such authority, on the turnover of such dealer for the year in which such security or as the case may be, additional security is required to be furnished.

(12) Where the security furnished by a dealer under sub-section (7) or sub-section (10) is in the form of a surety bond and the surety dies or becomes insolvent, the dealer shall, within thirty days of the occurrence of such event, inform the prescribed authority and shall, within ninety days of such occurrence, execute a fresh surety bond for the amount of the bond.

(13) The authority granting the certificate of registration under this section may by order and for good and sufficient cause, and after giving the dealer an opportunity of being heard forfeit the whole or any part of the security furnished by a dealer,-

(a) for realising any amount of tax or penalty or interest or other dues payable by the dealer;

(b) if the dealer is found to have misused any of the forms referred to in sub-sections (7) and (10) or to have failed to keep them in proper custody.

(14) Where, by reason of an order under subsection (13) the security furnished by any dealer is rendered insufficient, he shall make up the deficiency in such manner and within such time as may be prescribed.

(15) The authority issuing the forms referred to in sub-section (7) may refuse to issue such forms to a dealer who has failed to comply with an order under that sub-section or sub-section (10) or with the provisions of sub-section (12) or sub-section (14) until the dealer has complied with such order or such provisions as the case may be.

(16) The authority granting a certificate of registration under this section may on an application by the dealer to whom a certificate of registration has been granted order the refund of any amount or part thereof deposited by the dealer by way of security under this section, if it is not required for the purposes of this Act.

(17) The prescribed authority shall have power for good and sufficient reasons to cancel, modify or amend any certificate of

registration issued by him. Provided that no order shall be passed under this subsection without giving the dealer concerned an opportunity of being heard.

(18) A dealer shall, until his registration is cancelled be liable to pay the fees prescribed therefore for every year subsequent to that in which he applied for registration:

Provided that when a dealer has ceased to do business in any year, he shall not be liable to pay any registration fee from the commencement of the following year unless he resumes business.

(19) Nothing contained in this section shall apply to the State Government or Central Government or any department of any such Government carrying on business as a dealer.

### **9. Amendment Of Section 21 :-**

In section 21 of the principal Act, in subsection (g) for the expression "suo-motu under subsection (4-C) of section 14 or" the expression "under sub-section (4-C) of section 14 or suo-motu" shall be substituted.

### **10. Insertion Of New Section 33 Bb :-**

After section 33B of the principal Act, the following section shall be inserted, namely:-

33BB. Non-refund of tax in tax in certain cases--

Where a levy and collection of tax is held invalid by any judgement or order of a court or Tribunal, it shall not be necessary to refund any such tax to the dealer unless it is proved by the dealer to the satisfaction of the assessing authority that the tax has not been collected from the purchaser:

Provided that where any court or Tribunal holds the levy and collection of tax as invalid and orders refund of any tax collected, the refund shall be restricted to the period of three years immediately preceding the judgement or order".

### **11. Amendment Of Section 32-B :-**

In section 33-E of the principal Act, in sub-section (1), for the words "six percent", the words "twelve percent" shall be substituted.

### **12. Amendment Of Section 33-F :-**

In section 33-F of the principal Act, in subsection (1) for the words



"six percent", the words "twelve percent" shall be substituted.

### **13. Amendment Of Section 39 :-**

In section 39 of the principal Act, in subsection (2), after clause (a), the following clause shall be inserted namely :-

"(aa) the manner of determination of the amount payable by the dealer for the transfer of property in goods (whether as goods or in some other form), involved in hire purchase or any other system of payment by instalments or involved in lucky gift scheme either for cash, deferred payment or other valuable consideration;"

### **14. Amendment Of The First Schedule :-**

In the First Schedule to the principal Act,-

(i) in items 1 to 14, 27, 40, 41, 43, 46, 51, 82, 84, 111, 114, 137 and 138 for the entry in column (3) the following entry shall be substituted namely :-

"10 paise in the rupee ".

(ii) in item 38,

(a) in sub-item (ii), in column (1), the words other than those made of wood" shall be omitted;

(b) for the entry in column (3), the following entry shall be substituted, namely :-

"10 paise in the rupee ".

(iii) after item 90, the following item and entries relating thereto shall be inserted, namely :-

"90.A Sports goods including goods used for indoor or outdoor games or athletics including stop watches, sports shoes, rings, bladders ball covers, carram stickers, kitbags, medals, cups, trophies and parts and accessories thereof, whatever be the material they are made of. At the point of first sale in the State. 6 paise in the Rupee.";

(iv) in item 92,-

(a) for the entry in column (1), the following entry shall be substituted, namely :-

"Mosaic tiles and chips, polished granite stones, ceramic and glazed floor and wall tiles and joining powder and situ mixtures.";

(b) for the entry in column (3), the following entry shall be substituted, namely :-

"10 paise in the rupee ";

(v) after item 92, the following item and entries relating thereto shall be inserted, namely :-

"92-A. Ordinary polished stones including napa slabs. At the point of first sale in the State. 10 paise in the rupee." ;

(vi) after item 102, the following item and entries relating thereto shall be inserted, namely :-

"102-A. Stone ware pipes. At the point of first sale in the State. 9 paise in the rupee.";

(vii) in item 105, for the entries in column (1) the following entries shall be substituted, namely:-,

"Footwear,-

(a) costing rupees fifty and above.

(b) costing less than rupees fifty.";

(viii) after item 129, the following item and entries relating thereto shall be inserted, namely :-

129A. Articles of processed food (other than those specially mentioned elsewhere) prepared wholly or mainly from flour of gram cereals pulses or oil seeds. At the 6 paise point of in the first sale rupee."; in the State.

(ix) in item 152,-

(a) in column (1), the words "and parts and accessories thereof" shall be added at the end;

(b) for the entry in column (3), the following entry shall be substituted, namely :-

"10 paise in the rupee";

(x) in item 159 for the entry in column (1), the following entry shall be substituted, namely:-

"Pickles when sold in sealed or capsuled or corked bottles, jars, tins or other containers.";

(xi) after item 165, the following items and entries relating thereto shall be added, namely :-

"166. Coir products At the point of first sale in the State. 5 paise in the rupee.

167. Sago At the point of first sale in the State. 5 paise in the rupee.

168. Safety matches At the point of first sale in the State. 5 paise in the rupee.

169. Cashew nut Kernel. At the point of first sale in the State. 6 paise in the rupee.

170. Tamarind when obtained from outside the State. At the point of first sale in the State. 4 paise in the rupee.

171. Tamarind seed when obtained from outside the State. At the point of first sale in the State. 5 paise in the rupee.";

### **15. Amendment Of The Second Schedule :-**

In the Second Schedule to the principal Act,-

(i) in item 12, for the entry in column (1), the following entry shall be substituted, namely,-

"Cashew nut (with shell).";

(ii) in item 14, for the entry in column (1), the following entry shall be substituted, namely ,-

" Tamarind when purchased within the State.";

(iii) in item 15, for the entry in column (1), the following entry shall be substituted, namely :-

"Tamarind seed when purchased within the State.";

### **16. Amendment Of The Third Schedule :-**

In the Third Schedule to the principal Act,-

(i) for item (5) and the entries relating there to, the following items and entries shall be substituted namely :-

"5. Coconuts other than tender coconuts (cocosnucifera)

5-A. Copra At the point of last purchase in the State.

At the point of first sale in the State. 4 paise in the rupee.

4 paise in the rupee.";

(ii) after Explanation III, the following explanation shall be added, namely :-

"Exploitation IV .-For the purposes of items 5 and 5-A where a tax has been levied under this Act, in respect of the sale or purchase inside the State of any coconuts other than tender coconuts the tax leviable on copra procured out of such coconuts shall be reduced by the amount of tax levied on such coconuts.";

### **17. Amendment Of Act 18 Of 1985 :-**

In the Andhra Pradesh General Sales Tax, (Amendment) Act, 1985, in section 1, in sub-section (2),-

(i) in clause (a), for the expression " Explanation IV", the expression "Explanations IV and V" shall be substituted.

(ii) in clause (b), for the expression " Explanations V and VI", the expression " Explanation VI" shall be substituted.