

## **Bihar Tax On Entry Of Goods Into Local Areas For Consumption, Use Or Sale Therein (Amendment) Act, 2006**

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## **Bihar Tax On Entry Of Goods Into Local Areas For Consumption, Use Or Sale Therein (Amendment) Act, 2006**

An Act to amend the Bihar Tax on Entry of Goods Into Local Areas for Consumption, Use or Sale Therein Act, 1993 (Bihar Act 16 of 1993). Be it enacted by the Legislature of the State of Bihar in the fifty seventh year of the Republic of India as follows:-

### **1. Short Title, Extent And Commencement :-**

(1) This Act may be called the Bihar Tax on entry of goods into local areas for consumption, use or sale therein (Amendment) Act, 2006. (2) It shall extend to the whole of the State of Bihar. (3) It shall come into force at once.

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

(1) Clause (c) of sub-section (1) of section 2 of the Act shall be substituted in the following manner, namely:- (c) "Entry of goods", with all its grammatical variations and cognate expressions, means, entry of goods: (i) into a local area from any place outside such area, (ii) into a local area from any place outside the State, (iii) into a local area from any place outside the territory of India, for consumption, use or sale therein;" (2) After clause (c) of sub-section (1) of section 2 of the Act, a new clause (cc) shall be inserted in the following way, namely:- (cc) "Fund" means the Bihar Trade Development Fund.

### **3. Amendment Of Section 3 :-**

(1) Sub-section (1) of section 3 of the Act shall be substituted in the following way, namely:- "(1) There shall be levied and collected a tax on entry of scheduled goods into a local area for consumption, use or sale therein for the purpose of development of trade,

commerce and industry in the State, at such rate, not exceeding twenty percent, of the import value of such goods, as may be specified by the State Government in a notification published in a official gazette subject to such conditions as may be prescribed: Provided different rates for different scheduled goods may be specified by the State Government. Provided further, that if an importer claims that he imported goods notified under sub-section - (1) not for the purpose of consumption, use or sale, the burden of proving that the import was for purposes other than for consumption, use or sale shall be on importer importing such goods and making such claim." (2) After sub-section (1) of section 3 of the Act, a new sub-section (1A) shall be inserted in the following manner, namely:- "(1A) The tax under sub-section (1) shall be continued to levied till such time as is required to improve infrastructure within the State such as power, road, market, condition etc. with a view to facilitate better market condition for trade, commerce and industry and to bring it to the level of National averages." (3) The second proviso to sub-section (2) of section 3 of the Act shall be substituted in the following manner, namely:- "Provided further that where an importer of Scheduled goods liable to pay tax under the Act, incurs tax liability, at the rate specified under section 14 of the Bihar Value Added Tax Act, 2005 (Act 27 of 2005), by virtue of sale of imported Scheduled goods or sale of goods manufactured by consuming such imported Scheduled goods, his tax liability under the Bihar Value Added Tax Act, 2005 (Act 27 of 2005) shall stand reduced to the extent of tax paid under the Act:" (4) After the third proviso to sub-section (2) of section 3 of the Act, the following new provisos shall be inserted in the following manner, namely:- "Provided that in case of a manufacturer the reduction in tax liability as aforesaid shall only be allowed to industrial units of the small scale sector, the medium scale sector and sick industrial units: Provided that the said reduction in tax shall be available to manufacturer if the imported scheduled goods are used or consumed in the manufacture of goods which are sold within the State of Bihar or in the course of inter-State trade and commerce or in the course of export out of the territory of India. In case only a part of the goods manufactured out of imported Scheduled goods are sold within the State of Bihar or in the course of inter-State trade and commerce or in the course of export out of the territory of India, the claim for reduction in tax liability shall stand proportionately reduced: Provided further that such reduction from the tax liability shall be

admissible only if the dealer specifically mentions in the returns, filed under section 24 of the Bihar Value Added Tax Act, 2005 (Act 27 of 2005), the Number, date and the amount of the Challan by which the payment of Entry tax in relation to which the reduction has been claimed, has been made."

#### **4. Insertion Of A New Section :-**

After section 3A of the Act a new section 4 shall be inserted in the following manner, namely:- "4. Utilization of the proceeds of the levy under the Act - (1) The proceeds of the levy under the Act shall be appropriated to the Fund and shall be utilized exclusively for the development of trade, commerce and industry in the State of Bihar which shall include the following: (a) construction, development and maintenance of roads and bridges for linking the market and industrial areas to their hinterlands, (b) providing finance, aids, grants and subsidies to financial, industrial and commercial units, (c) creating infrastructure for supply of electrical energy and water supply to industries, marketing and other commercial complexes (d) creation, development and maintenance of other infra-structure for the furtherance of trade, commerce and industry in general. (2) The State Government shall, by a notification issued in this behalf, specify the manner of deposit of tax under appropriate Heads of Accounts and the manner in which the proceeds of the levy shall be utilized exclusively for the development of trade and commerce in the State of Bihar."