

Chhattisgarh Value Added Tax (Amendment) Act, 2006

26 of 2006

[01 September 2006]

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Chhattisgarh Value Added Tax (Amendment) Act, 2006

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An Act further to amend Chhattisgarh Value Added Tax Act, 2005. Be it enacted by the Chhattisgarh Legislature in the Fifty-seventh Year of the Republic of India as follows.-- * Published in the Chhattisgarh Rajpatra (Asadharan) dated 1-9-2006 Pages 442(5-9).

1. Short Title And Commencement :-

- (1) This Act may be called the Chhattisgarh Value Added Tax (Amendment) Act, 2006.
- (2) It shall be deemed to have come in to force with effect from 1st April, 2006.

2. Amendment Of Section 2 :-

In Section 2 of the Chhattisgarh Value Added Tax Act, 2005 (No. 2 of 2005) (hereinafter referred as Principal Act),--

(1) For clause (m) the following shall be substituted, namely: --

"(m) "Input tax" means an amount paid or payable by way of tax under Section 8 by a registered dealer in respect of the purchase of any goods; specified in parts I, II and IV of Schedule II, to a selling registered dealer who is liable to pay tax on the sale of such goods."

(2) For clause (w) the following shall be substituted, namely,--

"(w) "Taxable turnover" in relation to a dealer for any period means that part of dealers turnover which remains after deduction therefrom --

(i) the sale price of goods declared as free under Section 15 or under Section 15-B,

(ii) the sale price of such goods which are in the nature of tax paid goods in the hands of such dealer,

(iii) the amount collected by way of tax under Section 8 or the amount arrived at by applying the following formula--

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	rate of tax x aggregate of sale prices	
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	100 +rate of tax	

Provided that, no deduction on the basis of above formula shall be made if the amount of tax collected by a registered dealer in accordance with the provisions of the Act, has been otherwise deducted from the aggregate of sale prices;

Explanation.--Where the turnover of a dealer is taxable at different rate, the formula shall be applied separately in respect of such part of the turnover liable to a different rate of tax;"

(3) In clause (x) for the words and figures "parts III and IV" the word and figure "part III" shall be substituted and the words and figure "clause (ii) of shall be omitted.

3. Amendment Of Section 8 :-

For Section 8 of the Principal Act, the following shall be substituted, namely: --

"There shall be levied on goods specified in Schedule II, a tax at the rate mentioned in the corresponding entry in column (3) thereof; and such tax shall be levied On the taxable turnover of a

dealer liable to pay tax under the Act."

4. Amendment Section 9 :-

In Section 9 of the Principal Act,--

(1) In clause (b) of sub-section (1) before the word and figure "Schedule III" the words and figure "part III of Schedule II and/or" shall be inserted.

(2) For clause (c) of sub-section (1) and subsequent paragraphs thereafter, the following shall be substituted, namely: --

"(c) such goods covered by part I, II and IV of Schedule II and not covered by Schedule III, after use or consumption in the manufacture of any goods specified in Schedule II, the manufactured goods are disposed of otherwise than by way of sale in the State of Chhattisgarh or in the course of inter state trade or commerce or in the course of export out of the territory of India.

and such tax shall be levied,--

(i) in respect of goods referred to in clauses (a) and (b) at the rate specified in column (3) of Schedule II, and

(ii) in respect of goods referred to in clause (c) at 4% or at the rate specified in column (3) of Schedule II whichever is lower.

Explanation.--The rate of tax specified in Schedule II shall be the rate at which tax would have been levied on the sale of such goods within the State on the date of such purchase."

5. Amendment Of Section 10 :-

In clause (a) of sub-section (2) of Section 10 of the Principal Act, after the words "who manufacture cooked food" the words "and sells such goods within the State" shall be inserted and wherever words and figure "clause (1) of" occur shall be omitted.

6. Amendment Of Section 13 :-

In Section 13 of the Principal Act,--

(1) For sub-section (1) the following shall be substituted, namely: -

"(1) Subject to the provisions of sub-section (5) and such restrictions and conditions as may be prescribed, a rebate of input tax as provided in this section shall be claimed by or be allowed to a registered dealer, in the circumstances specified below,--

(a) (i) when a registered dealer purchases any goods specified in parts I, II and IV of Schedule II, within the State of Chhattisgarh

from another such dealer for sale within the State of Chhattisgarh or in the course of inter-state trade or commerce or in the course of export out of the territory of India, or for sale outside the State by way of stock transfer after payment to him of input tax, and

(ii) When a registered dealer purchases any goods specified in parts I, II and IV of Schedule II other than those specified in Schedule III within the State of Chhattisgarh from another such dealer after payment to him of input tax, for use as capital goods in the course of business within the State of Chhattisgarh, and

(b) When a registered dealer purchases any goods including capital goods specified in parts I, II and IV of Schedule II other than those specified in Schedule III within the State of Chhattisgarh from another such dealer after payment to him of input tax, for use or consumption of such goods for/in the manufacture or for/in mining in the State of any goods specified in Schedule II for sale within the State of Chhattisgarh or in the course of interstate trade or commerce or for sale outside the State by way of stock transfer and of any goods specified in Schedule I and/or Schedule II for sale in the course of export out of the territory of India, or for sale to a registered dealer in Special Economic Zone as per the provisions of clause (iv) of subsection (1) of Section 38, he shall claim or be allowed, input tax rebate of such amount of tax in such manner and within such period as may be prescribed.

(c) Where a dealer makes an application for grant of a registration certificate under clause (a) or clause (b) of sub-section (2) of Section 16 on or after the commencement of the Act, he shall in respect of,--

(i) goods specified in parts I, II and IV of Schedule II purchased on or after such commencement by him within the State of Chhattisgarh after payment to him of input tax for the purpose specified in clause (a); or

(ii) goods specified in parts I, II and IV of Schedule II other than those specified in Schedule III, purchased on or after such commencement by him within the State of Chhattisgarh after payment of input tax for the purpose specified in clause (b).

and held in stock by him on the date of validity of the registration certificate issued to him under clause (a) of sub-section (2) of Section 16, claim or be allowed input tax rebate of such amount of tax in such manner and within such period as may be prescribed.

(2) in sub-section (2) after the words "goods specified in" the words and figures "parts I, II and IV of shall be inserted.

(3) In sub-section (3) after the words and figure "sub-section (2)"

the words and figure "and Section 73" shall be inserted.

(4) In sub-section (6), the existing clause (iv) shall be renumbered as clause (v) and after clause (iii) the following clause shall be inserted, namely,--

"(iv) in respect of goods purchased from a dealer who opts for the composition of tax under the provisions of Section 10."

(5) In sub-section (7) the words and figure "clause (ii) of" shall be omitted.

7. Amendment Of Section 21 :-

In Section 21 to the Principal Act,--

(1) In sub-section (3) for the words "during the year immediately following" the words "within one calendar year from" shall be substituted.

(2) In clauses (i) and (ii) of sub-section (7) for the words "one" the word "two" shall be substituted.

(3) For proviso (a) to sub-section (7) the following shall be substituted; --

"(a) Where a fresh assessment has to be made to give effect to any finding or direction contained in any order under sections 48, 49 and 55 or to any order or judgment of the Civil court, High court, Supreme court; such assessment shall be made within one calendar year:--

(i) from the date of the order under Section 48, 49 and 55 containing any finding or direction, and

(ii) from the date of initiation of assessment/reassessment proceeding in pursuance to the order, or judgment of Civil Court, High Court or Supreme Court, and".

8. Amendment Of Section 45 :-

In sub-sections (1) and (2) of Section 45 of the Principal Act, for the word "Board" the word "Tribunal" shall be substituted.

9. Insertion Of Section 64-A :-

After Section 64 of the Principal Act, the following section shall be inserted, namely,--

"64-A. Compounding of offences.--Subject to such conditions as may be prescribed, the Commissioner may, either before or after the initiation of proceedings under this Act, permit any person charged with an offence under the Act or the rules made

thereunder to compound the offence on payment of such sum not exceeding one thousand rupees as the Commissioner may determine:

Provided that if the offence charged is under clause (b) or clause (c) or clause (d) of sub-section (1) of Section 64 and the amount of tax which would have been payable by such person had he complied with the provisions of this Act, is more than five hundred rupees, the Commissioner may allow composition on payment of a sum not exceeding twice such amount. After composition said proceedings shall stand terminated."

10. Amendment Of Section 69 :-

In clause (f) of sub-section (3) of Section 69 of the Principal Act, for the words "sales tax" the words "commercial tax" shall be substituted.

11. Amendment Of Section 71 :-

Sub-clause (iv) of clause (h) of sub-section (2) of Section 71 of the Principal Act shall be omitted.

12. Amendment Of Section 72 :-

In clause (iv) of the proviso of Section 72 of the Principal Act, for the word "Board" the word "Tribunal" shall be substituted.

13. Amendment Of Section 73 :-

In Section 73 of the Principal Act,--

(1) In clause (b) of sub-section (3) the following shall be added, namely,--

"Provided that, no input tax rebate shall be claimed by or be allowed to a registered dealer on the goods held in stock on the date of commencement of the Act, who opts for composition under the provisions of Section 10."

(2) For sub-section (4) the following shall be substituted, namely: -
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"The sale of goods specified in part III of Schedule II of the Act, which are tax paid goods within the meaning of the Act, repealed by this Act, on or after the said date shall not be liable to tax under the Act."

14. Amendment Of Schedule Ii :-

In Schedule II of the Principal Act,--

(1) In part I, part II and part IV, column No. (4) shall be omitted and in column No. (3) in heading for the words and figures "Rate of tax u/s. 8 (i) (percent)" the words and figure "Rate of tax u/s. 8 (percent)" shall be substituted.

(2) In part III column No. (3) shall be omitted and column No. (4) shall be renumbered as column No. (3) and in heading of the so renumbered column No. (3) for the words and figures "Rate of tax u/s. 8 (ii) (percent)" the words and figure "Rate of tax u/s. 8 (percent)" shall be substituted.

(3) In part IV in entry No. (1) for the words and figures "All other goods not covered by Schedule I and Schedule II" the words and figures "All other goods not included in Schedule I and in part I, part II and part III of this Schedule" shall be substituted.