

Gujarat Sales Tax (Second Amendment) Act, 1986

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Gujarat Sales Tax (Second Amendment) Act, 1986

An Act further to amend the Gujarat Sales Tax Act, 1969. It is hereby enacted in the Thirty-seventh Year of the Republic of India as follows:-

1. Short Title And Commencement :-

(1) This Act may be called the Gujarat Sales Tax (Second Amendment) Act, 1986. (2) It shall come into force on such date as the State Government may, by notification in the Official Gazette, appoint.

2. Amendment Of Section 2 Of Guj. 1 Of 1970 :-

In the Gujarat Sales Tax Act, 1969 (hereinafter referred to as "the principal Act"), in section 2, for clause (30B), the following clause shall be substituted, namely:- "(30B) specified day means the date of the coming into force of the Gujarat Sales Tax (Second Amendment) Act, 1986,".

3. Substitution Of Section 3 Of Guj. 1 Of 1970 :-

In the principal Act, for section 3, the following section shall be substituted, namely:- "3. Incidence of tax - (1) Every dealer whose turnover either of all sales or of all purchases made during - (i) the year immediately preceding the year within which the specified day falls, or (ii) the year commencing on the first day of the year within which the specified day falls, has exceeded or exceeds the relevant limit specified in sub-section (4), shall, until such liability ceases

under sub-section (3), be liable to pay tax under this Act on his turnover of sales, and on his turnover of purchases, made on or after the specified day: Provided that a dealer to whom clause (i) does not apply but clause (ii) applies and whose turnover either of all sales or of all purchases first exceeds the relevant limit specified in sub-section (4) after the specified day shall not be liable to pay tax in respect of sales and purchases which take place upto the time when his turnover of sales, or his turnover of purchases as computed from the first day of the year in which the specified days falls, first exceeds the relevant limit applicable to him under sub-section (4). (2) Every dealer whose turnover, either of all sales or of all purchases made during any year being a year subsequent to the year mentioned in sub-section (1) first exceeds the relevant limit specified in sub-section (4), shall, until such liability ceases under sub-section (3), be liable to pay tax under this Act with effect on and from the first day of that year: Provided that the dealer shall not be liable to pay tax in respect of such sales and purchases as take place during the period commencing on the first day of any such year, upto the time when his turnover of sales or turnover of purchases as computed from the said first day first exceeds the relevant limit applicable to him under sub-section (4). (3) Every dealer who has become liable to pay tax under this Act shall continue to be so liable until his registration is duly cancelled; and upon such cancellation his liability to pay tax other than tax already levied or leviable, shall, until his turnover of sales or turnover of purchases against first exceeds the relevant limit specified in sub-section (4), cease: Provided that, where the dealer becomes liable to pay tax again in the same year in which he ceased to be liable as aforesaid, then, in respect of such sales and purchases as take place, during the period commencing on the date of the cessation of liability to tax upto the time when his turnover of sales or of purchases first exceeds the relevant limit applicable to him under sub-section (4), no tax shall be payable. (4) For the purposes of this section, the limits of turnover shall be as follows:- (i) Limit of turnover In the case of a dealer who is an of sales of goods importer of lottery tickets and the including lottery value of lottery tickets brought by him tickets Rs. 10,000 into the State or despatched to him from outside the State during the year exceeds Rs. 1,000; or (ii) Limit of turnover In the case of a dealer to whom clauses (i), of sales (iii) and (iv) do not apply; or exclusively of lottery tickets Rs. 1,25,000 (a) in the case of a dealer, who is an importer, to whom clause (i) does not apply, and the value of any

taxable goods brought by him into the State or despatched to him from outside the State during the year exceeds Rs. 5,000; or (b) in the case of a dealer who is a manufacturer or who gathers any goods other than agricultural produce as a dealer and the value of taxable goods sold or purchased by him during the year exceeds Rs. 5,000 and the value of any (iii) Limit of taxable goods manufactured by him or of turnover any taxable goods other than the Rs. 50,000 agricultural produce gathered by him during the year exceeds Rs. 5,000; or (c) in the case of a dealer to whom neither clause (i) nor clause (ii) nor item (a) nor item (b) applies and the value of taxable goods sold or purchased during the year exceeds Rs. 5,000: Provided that the value of taxable goods purchased from persons who are not registered dealers during the year is not less than Rs. 5,000; or (iv) Limit of in the case of a dealer to whom neither turnover clause (i) nor clause (ii) nor clause (iii) Rs. 1,25,000 applies and the value of taxable goods sold or purchased by him during the year exceeds Rs. 5,000; (5) For the purpose of calculating the limit of turnover for liability to tax:- (a) except as otherwise expressly provided, the turnover of all sales or, as the case may be, the turnover of all purchases, shall be taken into account whether such sales or purchases are taxable or not; (b) the turnover shall include all sales and purchases made by a dealer on his own account, and also on behalf of principals mentioned in his accounts; and (c) the value of packing material which is used in packing any goods specified in Schedule I and on which no tax is leviable under sub-section (1) of section 21 shall not be taken into account in computing the value of taxable goods under sub-section (4).".

4. Amendment Of Section 3A Of Guj. 1 Of 1970 :-

In the principal Act, in section 3A, for sub-section (1) excluding the proviso, the following sub-section shall be substituted, namely:- "

(1) Every dealer referred to in sub-clause (h) of clause (10) of section 2, whose turnover, - (a) of specified sales made during, - (i) the year immediately preceding the year within which the designated days falls, or (ii) the year commencing on the first day of the year within which the designated days falls, has exceeded or exceeds Rs. 50,000; and (b) of specified sales of goods specified in Schedule IV made by him during the periods specified in sub-clause (i) or (ii) has exceeded or exceeds Rs. 5,000; shall, until such liability ceases under sub-section (3), be liable to pay tax under this section on his turnover of specified sales made on or after the

designated day:".

5. Deletion Of Section 46A Of Guj. 1 Of 1970 :-

In the principal Act, section 46A shall be deleted.

6. Amendment Of Schedule I To Guj. 1 Of 1970 :-

In the principal Act, in Schedule I, - (i) in entry 3, in column 2, for the words "at a price of not more than five rupees per person", the words "at a price of not more than ten rupees per person" shall be substituted; (ii) after entry 69, the following entries shall be inserted, namely:- "70 Such sports goods as the State Government may, by notification in the Official Gazette, specify. 71 Musical instruments 72 Candles made of wax 73 Wooden handles of pawrah and pick-axe.

7. Amendment Of Schedule Ii, Part-A, To Guj. 1 Of 1970 :-

In the principal Act, in Schedule II, Part-A, - (1) in entry 10, in columns 3 and 4, for the word "Do.", the words "Seven paise in the rupee" shall be substituted; (2) in entry 11, in columns 3 and 4, for the word "Do.", the words "Four paise in the rupee" shall be substituted; (3) in entry 12, in columns 3 and 4, for the word "Do.", the words "Five paise in the rupee" shall be substituted; (4) in entry 28, in columns 3 and 4, for the word "Do.", the words "Five paise in the rupee" shall be substituted; (5) in entry 29, in columns 3 and 4, for the word "Do.", the words "Six paise in the rupee" shall be substituted; (6) for entry 30, the following entries shall be substituted, namely:- -----

----- 1 2 3 4 -----
----- "30 Caustic soda and Four paise in the Four paise in the silicate of soda rupee. rupee. 30A Soda ash Eight paise in the Eight paise in the rupee. rupee. -----

----- (7) for entry 32, the following entries shall be substituted, namely:- -----

----- 1 2 3 4 -----
----- "32. Petroleum products Seven paise in Seven paise including light diesel the rupee. in the oil but excluding lubricants, rupee. kerosene, solvent oil, furnace oil, liquefied petroleum gas, naphtha, low sulphur heavy stock (LSHS) and motor spirit declared tax-free under entry 39 in Schedule I. 32A Naphtha Ten paise in Ten paise the rupee. in the rupee. 32B Low sulphur heavy stock Do. Do." (LSHS) -----

----- (8) entry 32A shall be renumbered as 32C and in entry 32C as so renumbered, in columns 3 and 4, for

the words "Six paise in the rupee", the words "Seven paise in the rupee" shall be substituted; (9) in entry 34, in columns 3 and 4, for the words "Six paise in the rupee", the words "Eight paise in the rupee" shall be substituted; (10) entry 46 shall be deleted; (11) in entry 47, in columns 3 and 4, for the words "Ten paise in the rupee", the words "Twelve paise in the rupee" shall be substituted; (12) for entry 53, the following entry shall be substituted, namely:-

Cement and articles made of Twelve paise Twelve paise cement, that is to say, the in the rupee. in the rupee." articles in the making of which cement is used irrespective of the proportion in which it is used, excluding floor and wall tiles. -----

entry (1), columns 3 and 4, for the words, "Ten paise in the rupee", the words "Twelve paise in the rupee" shall be substituted; (14) for entry 67, the following entry shall be substituted, namely:- -----

all kinds, Ten paise in Ten paise in upholstered furniture and the
rupee. the rupee." skeletons of any of them. -----

shall be substituted, namely:- -----

paise in Ten paise in parts and accessories thereof. the rupee. the
rupee." -----

"Twelve Paise in the rupee" shall be substituted; (17) entry 73 shall be deleted; (18) in entry 74, - (i) in columns 3 and 4 against sub-entry (1), for the words "Twelve paise in the rupee", the words

4 against sub-entry (2), the word "Do.", shall be construed as "Twelve paise in the rupee"; (19) in entry 76, in columns 3 and 4,

the rupee" shall be substituted; (20) for entry 80A, the following shall be substituted, namely:- "80A Television sets and antennae,

the rupee." monitors, close circuit television sets, cameras, video television, video cassette recorders, video cassette players, video cassette and parts, accessories and components of any of them.

(i) Articles and utensils Six paise in Six paise in made of stainless steel. the rupee. the rupee." (ii) utensils made of other non-ferrous metals and alloys such as brass, copper, indolium, aluminium, etc. (22) entry 103 shall be deleted; (23) in entry 114, - (a) in item (a), - (i) in column 2, for the words "five rupees per person", the word "ten rupees per person" shall be substituted; (ii) in columns 3 and 4, for the words "Eight paise in the rupee", the words "Ten paise in the rupee" shall be substituted; (b) in item (b), in columns 3 and 4, the word "Do.", shall be construed as "Ten paise in the rupee"; (24) after entry 115, the following entries shall be inserted, namely:- -----
 - "116. Bamboo mattings and tattis Four paise in Four paise in the rupee. the rupee. 117. Agarbatti, padi, dhoop and Four paise in Four paise in dhoop-batti the rupee. the rupee. 118. Imitation jewellery Four paise in Four paise in the rupee. the rupee. 119. Tractor trailers Six paise in Six paise in the rupee. the rupee. 120. Lottery tickets Ten paise in Ten paise in the rupee. the rupee."

8. Amendment Of Schedule, Ii, Part-B, To Guj. 1 Of 1970 :-

In the principal Act, in Schedule II, Part-B, - (1) in entry 14, in columns 3 and 4, for the words "Ten paise in the rupee", the words "Eight paise in the rupee" shall be substituted; (2) in entry 15, in columns 3 and 4, for the word "Do.", the words "Eight paise in the rupee" shall be substituted.

9. Amendment Of Schedule Iii To Guj. 1 Of 1970 :-

In the principal Act, in Schedule III, in entry 13, in column 3, for the words "Seven paise in the rupee", the words "Eight paise in the rupee" shall be substituted.

10. Amendment Of Schedule Iv Of Guj. 1 Of 1970 :-

In the principal Act, in schedule IV, entry 8 shall be deleted. The Statement of Objects and Reasons and the Memorandum Regarding Delegated Legislation appended to the Gujarat Sales Tax (Second Amendment) Bill, 1986 (Bill No. 39 of 1986) (Gujarat Government Gazette, Extraordinary, Part V, dated 15th March, 1986, page 19-9.), run as follows:- STATEMENT OF OBJECTS AND REASONS "In order to augment the resources of the State, it is proposed to increase the existing rates of tax on sales or purchases of certain goods or classes of goods and to grant tax reliefs in respect of sales or purchases of certain goods or classes of goods as stated by the Finance Minister in his speech in the Legislative Assembly while presenting the budget estimates for the financial year 1986-87.

This Bill seeks to amend the Gujarat Sales Tax Act, 1969 (Guj. 1. of 1970), with a view to giving effect to the said proposals. Opportunity is also taken to amend section 3A and delete section 46A. Under section 3A the limit of turnover of specified sales is specified as Rs. 50,000 but the limit in terms of value of taxable specified sales of goods specified in Schedule IV is not mentioned. It is, therefore, considered necessary to specify Rs. 5,000 as such limit. Under section 46A an undue advantage is being taken by dealers in delaying recovery of tax from them. Hence it is considered necessary to delete the same." MEMORANDUM REGARDING DELEGATED LEGISLATION "Sub-clause (2) of clause 1 empowers the State Government to appoint by notification in the Official Gazette the date on which the Act shall come into force. New entry 70 proposed to be inserted in Schedule I relating to sports goods by sub-clause (2) of clause 6 of the Bill empowers the State Government to specify the sports goods which shall be exempted from levy of sales or purchase tax. The delegation of legislative power as proposed is necessary and is of normal character."